

# Ulster tension rises on eve of vital power sharing talks

The inter-party talks on the future of the Convention open at Stormont tomorrow in a menacing atmosphere of rising tension and fear from terrorist organizations of further violence. There seems little hope of reducing the ice between the Roman Catholic and Protestant parties on the two main points at power-sharing and the Irish dimension, Christopher Walker writes.

## Terrorists' warning of increased violence

There is little optimism in the North or the Irish Republic about the outcome of the talks, although government officials find some comfort in the very fact that they are taking place. Mr. Ross, Secretary of State for Northern Ireland, and his senior advisers have always maintained that the only hope for progress in the Convention would be an informal meeting away from the glare of publicity which surrounds full sessions.

The prospects of success have been made more remote by the present atmosphere in republican and loyalist strongholds where the inter-sectarian tension is at its most dangerous level for many months. In an interview on the Irish Republic's radio service yesterday, Mr. Ernest Baird, the deputy leader of the Vanguard Party, said that the present situation provided what he described as the perfect recipe for civil war in Ulster. Militant loyalists were being provoked by the IRA's human endurance by the IRA.

Another threat of further violence came later in a statement issued by the Ulster Freedom Fighters, whose spokesman used a special code word to identify himself. The organization is one of the most violent in Ulster and has claimed responsibility for the murder of many Catholics, including the latest slaying of Senator Paddy Wilson.

The statement said: "Following the recent attacks on loyalist areas and people, the UFF will within the next 48 hours consider their position regarding their ceasefire. While the UFF has always retained the right to retaliate, the growing feeling within the ranks is that it is now time for offensive action to be taken. For too long the Provisional IRA have been allowed to dictate events."



Julian Hodgson, aged 12, of Hammersmith, London, on his way to victory over Helmut Cardon, aged 11, the Dutch and Belgian junior champion, at the London Chess Fortnight in Fulham. Report, page 2

## British Leyland hopes to be taken off the Arab boycott list soon

British Leyland confirmed last night that the company had given evidence to the Arab Boycott of Israel office in Cairo, in an effort to get its name removed from the blacklist of firms barred from trading in Arab countries.

"We have been trying to come off the blacklist for some time, particularly in connection with a proposed Land Rover plant in Egypt," an official said. "It was suggested that we could not proceed until we came off the list, and we are now hopeful that we will shortly be given the go-ahead."

## TUC warns unions to observe pay limit

The TUC General Council takes a firm stand today by warning union negotiators not to break the pay guidelines in the present round of negotiations. It says that if settlements are pitched at the level of some recent agreements the prospect of reducing inflation will be seriously threatened.

There have been undesirable gaps in the observance of the guidelines in the past, the general council says in a report, *The Development of the Social Contract*, to be put to the TUC conference in Blackpool next month. It praises the "real leadership" given by many negotiators, even if they settled outside the guidelines because of pressures from members or in response to offers by employers.

The report says there might be isolated instances of negotiators finding it difficult to observe the pay limit. But that would not remove from them or their executives the responsibility of doing all they could to observe the limit.

Unions and employers who agree that there is a "social contract" should make a joint application to the TUC and the CBI, who would consider whether the issue should be put to the Advisory, Conciliation and Arbitration Service.

The report does not accept that wage settlements can never cause economic difficulty. Speech by Mr. Murray, page 3

## Dr Kissinger to start new Middle East shuttle on Wednesday

Vail, Colorado, Aug. 17.—President Ford today authorized Dr. Henry Kissinger, the American Secretary of State, to fly to the Middle East on Wednesday to negotiate final details of an interim peace agreement between Egypt and Israel.

The President said in a statement he was hopeful that the new diplomatic mission would be crowned with success, and Dr. Kissinger himself said at a press conference: "We think there is a good chance of success or the President would not have authorized my return to the Middle East."

The Secretary of State said he would go first to Jerusalem for talks with the Israeli Government and then fly to Alexandria to meet President Sadat of Egypt.

He spoke in terms of a 10-day period of shuttle diplomacy, after which he planned to visit Syria, Jordan and Saudi Arabia. He hoped to complete the interim agreement before September 1 or 2, when he would have to be back in the United States to address the United Nations General Assembly.

The President's decision to send Dr. Kissinger back to the Middle East came after an agreement in principle worked out by United States and Israeli officials in Washington last week.

Dr. Kissinger said Egypt and Israel had agreed in principle on some issues involving the line to which Israeli troops would withdraw in the Sinai, but other questions still had to be resolved. These included the details of actual troop positions in the areas of the strategic Giddi and Mitla passes.

In a draft agreement completed last week, Israel undertook to withdraw east of the two passes and from the Abu Rudeis oil fields, which it occupied during the 1967 Middle East war.

To return, according to officials, Egypt has agreed to relax economic and propaganda warfare against Israel and to pledge that it will not use force to settle its dispute with the region.

Dr. Kissinger said at today's press conference that the United States would supply a small number of civilians to man early-warning stations

monitoring the areas affected by an interim agreement if Egypt and Israel asked for them and Congress approved. Information gathered would be given to Egypt, Israel and the United Nations.

In September, President Ford would send to Congress a comprehensive package of aid proposed for Israel and for Arab countries already receiving American assistance, the Secretary of State continued.

He promised that all arrangements involving the United States in an interim agreement would be submitted to Congress, "and there will be no secret understandings that are not submitted."

Before today's announcement issued from the Western White House—President Ford and Dr. Kissinger conferred for several hours during the weekend at the Rocky Mountain resort of Vail. The President's statement said:

"I am hopeful that the parties will successfully conclude an interim agreement which not only would be in the best interest of the parties involved, but also in the best interest of the entire Middle East region and indeed of the whole world."

"I am sure all Americans join me in wishing the Secretary of State success on this critically important mission."—Reuter and AP.

Aul Martin writes from Cairo: The mainstream of the Palestine Liberation Organization (PLO) has begun to adopt a hostile attitude to a new Sinai accord as Egypt and Israel prepare for Dr. Kissinger's latest round of shuttle diplomacy.

The new public stand on the peace steps being taken by Egypt was announced by the PLO's Central Council, a broadly-based policy body.

The Central Council's statement accused the United States of "suspicious" motives in its new peace approaches, and viewed "with serious concern" the extreme gravity of the American steps. It claimed that the American aim, through its promotion of a new Sinai agreement, was to undermine the Palestine Liberation movement.

Israel uneasy, page 4

## Labour press ban deal denied

Mr. David Chipp, editor-in-chief of the Press Association, made clear yesterday that he has refused to cooperate with an attempt by the Labour Party to prevent party press releases from being distributed to *The Birmingham Post* and *Evening Mail*, which is in dispute with the National Union of Journalists.

At a meeting in London tomorrow Mr. Chipp will tell Mr. Percy Clark, director of information at Transport House, that it is not technically feasible to isolate the two newspapers from the PA wire service. PA's main news channels go to all members and subscribers, and thus if we were to be denied the opportunity to send it to one, it would affect all," he said yesterday.

The party does not wish to provide information and press facilities for its annual conference next month to the *Birmingham Post* and *Evening Mail*, where for six weeks dismissed NUJ members have kept a picket in protest against a pay offer.

Mr. Clark said yesterday that it had been a party "office rule" since 1962 that only NUJ members should be granted press facilities at its conferences.

An editor observed yesterday that until now the rule had not been strictly applied, and journalists attending Labour Party conferences did not have their credentials checked.

Mr. David English, editor of the *Daily Mail*, said it was an intolerant decision. "It further erodes freedom of the press in Britain," he said.

"One is forced to ask where it will all end. If today only journalists who are members of a TUC-affiliated trade union

are considered fit to cover the Labour Party conference, presumably the next idiotic step is to insist that only journalists who are fully paid-up Labour Party members are acceptable."

Mr. English said he did not believe it would come to that, but he would not be surprised when some of the less intelligent people in the party demanded a ban on all non-socialist journalists.

Mr. Clark said yesterday that the party would cooperate to the full with the PA, but each of the handouts would be marked: "This is issued on condition it does not reach *The Birmingham Post* and *Mail*."

Universal News Services, the wire agency that issues all the party's press releases, would send them to all the usual recipients except the *Birmingham* newspapers.

Leading article, page 11

## Police free whisky heir and recover £1.1m ransom

From Our Correspondent New York, Aug. 17  
Mr. Samuel Bronfman, aged 21, heir to the Seagrams whisky fortune, was freed today after one of his alleged kidnappers led police to the flat in Brooklyn where he had been kept for eight days. He was found bound, gagged and lying on a sofa.

Soon afterwards federal agents recovered the \$2.3m (about £1.1m) ransom in a Brooklyn flat near the one where Mr. Bronfman was rescued. The money was sent wrapped in the paper in which it was packed when Mr. Bronfman's father, Edgar, gave it to one of the kidnappers yesterday.

The raid to rescue Mr. Bronfman was made after Dominic Byrne had called the police. He told them that he had been responsible for feeding Mr. Samuel Bronfman, and that he

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## advising on 0m telephone ers for Iran

One by the Post Office's consultants could not British exporters north of orders for telephone and buildings. Cable & Wire-zing the advisers and potential involved in contracts for design revision of 560 telephone n Iran. Page 13

## 100 on short time

ber of workers in manufacturing on short-time is believed to have 250,000. This compares with a er average of 39,000 over the ears. Page 13

## upsets India

ressed shock over the weekend coup in Bangladesh as Pres-ized ordered the border with e sealed. It was said officially "cannot remain unaffected by lical developments" Page 4

## sters' crisis

ified barristers are looking for ent seat in chambers. According 's overarching body, the future is w those who will qualify by the year. Page 2

## New theory challenges cigarette-cancer link

The belief that cigarette smoking is the main cause of lung cancer has been strongly challenged by Professor Philip Burch, who holds a personal chair in medical physics at Leeds University. He says the Royal College of Physicians' 1971 report ignored much evidence to the contrary, and argues that spontaneous genetic mutation is the cause. Page 2

## Communists trapped

Anti-riot troops arrived three hours too late to prevent an attack by a mob on a weekend rally by the Portuguese Communist Party just outside Lisbon. Foreign journalists were among those injured in the siege which followed. Page 3

## Football violence: Hooliganism, stabbings and 200 arrests marked the start of the season

Czechoslovakia: Trade union expels Mr Dubcek because of letter published in the West criticizing party leaders. 4

## Hongkong: Six-page Special Report, eleventh in the series Investment Centres of the World.

Home News 2, 3  
European News 4, 5  
Overseas News 4, 5  
Court 12  
Crossword 12  
Puzzles 12  
Features 12

## On other pages

Letter: On the Labour Government and Socialism, from Mr. R. J. Silburn and others; the Advanced Patients' Train, from Anthony Smallhorn; advertising standards, from Mr. Anthony Woolf. Leading articles: Ulster; Angola; Labour Party and The Birmingham Mail. Features, pages 7 and 10. Professor H. V. Livermore begins a three-part series on Portugal's road to revolution; Andrew Fancis says Britain is throwing away golden opportunities in the Middle East. Arts, page 6.

Leonard Buckley on *We Are All Guitry* (ATV); John Fennell on Scottish Ballet's *Giselle* (Kings Theatre, Edinburgh); Clive Barnes on *Liza Minnelli in the musical Chicago* (Olympia, page 12). Vladimir Kuz, Ervin Bossanyi, Dr. Paul Seft, Chief Editor, Anthony Rye. Sport, 7, 8 and 9.

Cricketer: John Woodcock on England's chances of squaring the Test series; Football: Geoffrey Green reviews the first Saturday of the new season. Business News, pages 13-17. Business Diary in Europe: Top Russian bankers in mystery talks with West Germans; rumours of further developments in Belgium's mini-War. Business features: Victor Gore looks at the increasingly protectionist airline measures and calls for a policies review; David Young discusses the plaiting fears of cash and carry operators.

Letters 11  
Monday Book 11  
Obituary 11  
Premium Bonds 11  
Puzzles 11  
Science 11

11 Sport 7-9  
TV & Radio 6  
Theatre, etc 12  
25 Years Ago 12  
Weather 12  
Wills 12







## HOME NEWS

# Amnesty for Birmingham bombers must be ruled out, conservative spokesman insists

Barry Symon  
Chief Staff

Barry Symon, the Conservative Party's principal spokesman on Northern Ireland, said today that it would be "absolutely outrageous" to consider an amnesty for the Birmingham bombers. He said the impression was being created that the Birmingham bombers might be the subject of an amnesty or some arrangement.

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## Flight by sight in an old-fashioned style of travel to the Shetlands

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## Unions rejecting pay plan urged to find better idea

Mr. Labour Staff, Len Murray, general secretary of the TUC, said today that any union which rejected the Government's offer of a pay plan would be "making a mistake". He said the Government's offer was a "reasonable" one, and that unions should accept it.

## Economy schemes reduce Whitehall spending

Staff Reporter, Government departments have been asked to save several hundred million pounds over the next five years. The Government is looking for ways to reduce its spending, and has asked departments to find ways to save.

for clarification of what a life sentence means in these cases. I would ask for your clear assurance that these men will be under no circumstances be transferred to prisons in Northern Ireland, where their escape or rescue could worsen an already violent situation.

Mr. Corbett, Labour MP for Hemel Hempstead and secretary of the party's parliamentary civil liberties group, has demanded a public inquiry into the running of Winson Green prison, where the Birmingham bombers were allegedly beaten up by prison officers after their arrest.

Mr. Corbett said that the police inquiry into the allegations was now complete and the report was with the Director of Public Prosecutions. He said that the Home Secretary should publish the inquiry in full ahead of any decision on action upon it.

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## Regional report Ronald Faux Lerwick

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imprisonment which entitles a life prisoner to be released. It has been emphasized that there is no reason why the perpetrators of particularly heinous crimes should not stay in prison for the rest of their lives.

The belief that criminals sentenced to life imprisonment get out "after a few years" is based on statistics which show that some are released after 10 years or less. But those are usually people who have committed murder in the heat of a domestic crisis.

The main immediate problem faced by the Home Secretary and the prison authorities is where to place the convicted men. It is likely that they will be sent to different prisons, especially as some of them made statements incriminating the others. They will also probably have to be segregated from other prisoners because of the danger of their being attacked.

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## WEST EUROPE

# Mob violence cripples Communist Party activity in Portugal

From Michael Knipe  
Lisbon, Aug. 17

Portugal's Communist Party is today facing the prospect of no longer being able to operate openly as a legitimate political force, in the face of mob violence and the failure of the military Government to impose elementary protective security.

This is the conclusion after the party's abortive attempt last night to reestablish its presence in Alcobaca, a small agricultural town eight miles north of Lisbon, where the disturbances began a month ago.

Once again violence reigned supreme as a mob of several hundred besieged about 1,000 Communist Party members attending a rally in the town's sports pavilion. Despite the fact that trouble had been widely predicted it was three hours before anti-riot troops arrived at the scene during which gunfire was exchanged and at least 20 people were wounded, four seriously.

This latest clash occurred as the pro-Communist Prime Minister, General Vasco Gonçalves, broadcast an appeal for national unity. Earlier he had promised that the military would overcome the mob violence by increasing co-operation between the police and the armed forces.

## Third policeman shot dead in Madrid street

From Our Correspondent  
Madrid, Aug. 17  
Terrorism returned to Madrid yesterday when Lieutenant Antonio Foz Rodriguez, aged 49, a paramilitary Civil Guard, was shot dead outside his home. He had just returned from work and parked his car near a pedestrian subway in the suburb of El Barrio when a man, aged about 25, shot him in the chest with a sawn-off shotgun.

## Champion horse believed kidnapped

From Our Own Correspondent  
Rome, Aug. 17  
The theft of a champion trotting horse this weekend has brought speculation that the thriving business of kidnapping may have been used to include animals as victims.

## Search begins for Algerian official seized in France

From Richard Wigg  
Paris, Aug. 17  
An Algerian official was kidnapped and held somewhere in southern France today by a group of Harkis, former Muslim troops who fought on the French side in the Algerian war and have French nationality.

noise of stones being thrown at the asbestos roof. To sustain their spirits the crowd shouted anti-fascist slogans and sang Communist songs.

Dr. Alvaro Cunhal, the white-haired 61-year-old Communist Party leader, looked deathly pale and was clearly under great strain. He was able to make only a brief speech. It was important, he said, to demonstrate the Communist presence as they were doing.

Our revolution is going through a difficult crisis but we believe we can build a democratic regime and the road to socialism. He asked the audience to form a solid block and march out together. Then, soon after retiring to a back room he was apparently taken ill. An appeal was made for "a comrade doctor to attend one of our comrades who is not feeling well."

Instead of departing as a group, the besieged Communists began breaking off flagpoles to use as spears and others brandished revolvers and shotguns. Bursting out of the building they attacked the mob, capturing four and dragging them back into the building.

## Three more men arrested in forest fire area

Lüneburg, Aug. 17.—Police yesterday detained three more suspected arsonists as investigations continued into forest and heath fires which killed 50 people and burnt about 50 square miles of north German woodland and heath.

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## Briton killed by avalanche on Norwegian peak

From Our Correspondent  
Oslo, Aug. 17  
A British mountaineer, aged 21, was killed yesterday while descending a peak in northern Norway.



Communists wielding sticks and banners against anti-Communist demonstrators in Alcobaca.

should be taken to hospital one of his guards said: "Hospital? Why should we send him to hospital. They're wretches, they don't deserve anything." Outside, the pavilion was protected by a thick throng of Communist security men and the mob was gathered some 60 yards down the hill.

It was 1.30 am before a national republican guard Volkswagen containing three policemen drove up the hill to transport the injured to hospital. The police said they were calling for reinforcements.

Inside the hall the Communists armed with sticks, broken bottles and guns were growing more concerned and more hostile, but the younger ones kept up their spirits by forming a

circle and singing Communist songs including the Spanish version of "A United People will Never be Vanquished." One man who asked to leave because he was overcome by the heat was refused permission. "We all get out together or not at all," he was told.

The anti-Communists at the bottom of the hill shouted insults: "Death to Cunhal" and "Come down and fight!" When two thunderclashes were fired at the pavilion the Communists retaliated with air-guns.

Among those slightly wounded by pellets were a BBC reporter, Mr. Larry Harris, who was hit in the face and chest; an American Associated Press reporter, Mr. John Wheeler, hit

in the face; and an ITN cameraman, Mr. William Green, who was hit in the chest and head. Among the 14 people taken to hospital were two who had been shot in the back by bullets as opposed to pellets. The mob fell back as the communists moved down the hill.

It was nearly 3 am when two Army officers finally arrived. They were promptly christened Cop and Con by one observer, this being the acronym for the Portuguese security forces. They were followed by a platoon of troops in two lorries from towns no farther than 25 miles away. The troops fired into the air to disperse the mob as the communists made their getaway. Warning tremors, page 7

# MPLA talks of Angola secession

Luanda, Aug. 17.—A unilateral declaration of Angolan independence by the Popular Movement for the Liberation of Angola (MPLA), is still a possibility, a senior official of the movement said in Luanda today.

It is still an acceptable hypothesis and one that could become reality at any moment, the official, a senior man in the Ministry of Information, told Agence France-Press.

He was commenting on the result of a rally called by the MPLA this morning at which it had been widely speculated that independence would be declared. The rally passed off, however, without any break-away move being made.

Observers believe the MPLA is still waiting for three conditions to be fulfilled before making its expected declaration of independence. The conditions are: a sufficient number of African countries of recognition; and clarification by the Union for the Total Independence of Angola (Unita) of what its attitude would be over the MPLA's confrontation with the third group, the National Front for the Liberation of Angola.

So far, reports of the fighting in the south of the country, where Unita has its own sphere of influence, have indicated that it has thrown in its lot with the FNLA against the MPLA.

Militarily the MPLA, which seized the capital from the other two movements last month, has been unable to consolidate its hold over the southwestern seaboard. Its troops are clinging desperately to the ports in the south of Luanda but only just.

Luanda, and its surrounding area is solidly MPLA as shown by today's rally which attracted thousands from the surrounding African suburbs.

As they massed in the central square, they sang popular songs or chanted revolutionary slogans. Most of the banners and posters called for "A People's Government".

Youngsters sported shirts in the yellow, black and red colours of the MPLA and marched happily through the streets shouting slogans against the National Front which they called "the murderers of the masses".

A statement by the Portuguese High Commission published in today's *Jornal de Angola* newspaper said the military situation remained serious throughout the country. Talks were taking place among the three rival liberation movements in Lobito, the main port, after fierce fighting in which heavy weapons were used.

At a press conference yesterday the MPLA said it was in control of Lobito, and also of the provinces of Luanda and Namibe in eastern Angola, Porto Amboim and Novo Redondo on the coast, the southern coffee-

growing centre of Gabela and the northern oil producing enclave of Cubinda.

Today's High Commission statement added that heavy fighting between the MPLA and the FNLA had been taking place in the north central towns of Luanda and Cacuango. Agence France-Press and Reuters.

Our Lisbon Correspondent writes: Dr. Vasco Vieira de Almeida, Economics Minister in Angola's now defunct transitional government, has confirmed here that Portugal is planning to send more troops to Angola.

Asked if independence would take place in November as planned, he said: "We shall do everything to make it possible." But he did not believe that elections would take place in October as planned.

Portugal now had two priorities in Angola, he said. One was to ensure the country was decolonised in a correct and orderly fashion. The other was to ensure the safety of the 300,000 settlers due to be flown back to Portugal by November.

Stockholm, Aug. 17.—Senior Mateus Neto, a leading figure in the FNLA who was reported to have been kidnapped on Friday, is being held in the Luanda headquarters of the MPLA for questioning, his wife said here today. His mother had been assured that he had not been hurt. Senhora Neto said.—Reuters.

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# The tremors that warned Portugal of a political eruption



Dr Salazar: dislike of party politicians.

is the first of three... events of April 1974, the... flowers, the mock heroics and... a spate of rhetoric were... a propaganda revolution... Dr Salazar had... to resign in the middle... February, when he realized... Brig Spínola's book, warmly... by Costa Gomes, meant that... had been trapped and be-... -The resignation was... used by President Tomás, but... the following two months he... did little more than at-... to rally his followers and... at the final blow. Those... recall the overthrow of the... Monarchy in 1910... know that the Monarchist... had already acknow-... defeat when the revolu-... came. Foreign observers... included the late Sir C... an, not knowing the rules of... game, were astonished that... still largely Monarchist... did not make a stouter... ence of the boy Manuel II... politicians had already de-... the result. The sergeants... 1910 were the captains of... What was overthrown was not... regime of Dr Salazar, but... totalitarian government of Dr... who found himself... into the unhappy role of... Kerensky. When Dr Salazar... a stroke in 1968, it was... first uncertain if, or how... he might survive, but with-... a fortnight the Council of... recommended the imme-... appointment of a suc-... President Tomás made the... consultations and called... Dr Salazar, telling him that... per cent of those consulted... for him. Later, Dr Salazar... and that some had expres-... sions about his African... istry, but he states that only... military asked for an as-... sance and he gave it.

Dr Salazar, an academic con-... ditional lawyer, had helped to... the Constitution of 1933... had been a government... minister until 1958. He then... the government to become... a military dictatorship. He... been away from the centre... affairs for ten years. When... he told the nation... it was used to being gov-... ed by a man of genius and... it now accustom itself to... her men.

During his five years in... ice, the regime was effec-... tively transformed. Dr Salazar's... like of party politicians, born... experience of their disastrous... from 1910 to 1926, meant... the National Union, never... political party, had failed to... ovate itself. Dr Salazar re-... cted it with the National... ular Action, which was a... ty and therefore postulated... opposition. Under Dr Sala-... the opposition had been... mitted to control the presi-... dential elections: once... ated, it was expected to dis-... The Communist Party, in... its leader in Caeiro... and its system of cells... vived these eclipses. The... party, having been a chieftain... their pre-1926 leaders... the sixties most of these had... appeared. In 1958 General... gado, fresh from the United... tes, ran as opposition can-... date to Admiral Tomás. The... munists at first chose him... candidate. An elderly... ver, but when they saw that... gero Delgado could draw... they quickly dropped... man and got behind him.

In the event Admiral Tomás re-... ceived 77 per cent of the votes... and General Delgado 23... per cent. The Communists and... others wanted the candidate to... attempt a military coup. He... tried to turn some officers... against the regime and was... cashiered, avoiding arrest by... seeking refuge in the Brazilian... Embassy.

As a result, the rules were... changed. Future presidents... were to be elected by the... National Assembly, as in Italy. This meant that the opposition... would in future focus its... attempts on the elections for... the Assembly, and not on the... Septennial Presidential elec-... tions. The Assembly was... elected by block-list, but no op-... position had been actually... presented. Dr Salazar had per-... mitted the opposition to hold... congresses, and much turned on... the opposition's third congress... at Aveiro in April, 1973 preced-... ing elections for the new... Assembly in October. The... speakers at the congress ad-... vanced "theses" which showed... that, as usual, they would be... satisfied with nothing less than... a different constitution, as well... as an end to the military de-... fence of Portuguese Africa. But... the chief among these, and... was gratified to see his candi-... dates come home. They domi-... nated the new National... Assembly, two thirds of whose... members were new to parlia-... mentary work.

The opposition had failed to... make inroads by electoral... means, and, as in the past, some... of its leaders decided to use... the relaxation of control and... the momentum gained by the... election campaign to mount a... revolution. The Communists... made chief among these, and... many aspiring politicians with... ambitions incompatible with the... New State had once been mem-... bers or fellow-travellers. They... realized that it was necessary

to have military support, and... Delgado's experience showed... that camouflaging with generals... was not enough.

The foundation of dissatis-... faction in the army had been... begun by taking a professional... grievance and working it up... into a political issue. The old... Army School, renamed the... Military Academy in 1959, pro-... vided courses by which young... officers qualified for promo-... tion. These were increasingly... recruited from the ranks on the... basis of service in Africa. Dr... Salazar had appreciated that... if the army was to undertake... the role of educating the... African population—and this... was already taking place—... emphasis must be laid on... general, as well as on military... education. In 1973 the Army... Minister put forward a plan... whereby army officers with... higher education could pass... quickly through the Military... Academy by intensive courses. Junior officers at once pointed... out that after long service they... would be overtaken by recent... graduates. In June, 1973, they... wished to present grievances to... a Congress of Combatants in... Oporto, but were told that they... could not appear. They formu-... lated their grievances in a... telegram signed by two men... with records of gallantry in the... field who were said to repre-... sent 400 others. The Army... Minister made some conces-... sions to meet the original... complaint, but the organization... of young officers insisted on... the withdrawal of the new... regulations. Ex-graduates of the... Academy joined in the battle... of words: they included 51... officers serving in Guinea with... General Spínola, who returned... to Portugal in August of that... year.

Brig Spínola had been appoint-... ed to Guinea in 1968 under... Dr Salazar and had been... renewed by Dr Salazar. He had

won a reputation as an active governor who knew how to con-... ciliate and attract the indige-... nous population. The Guinea... PAIGC was set up by colour-... Cape Verdeans, who regarded... themselves as Portuguese and... had no other language but Por-... tuguese, unlike the indigenous... Guineans. General Spínola had... bid for indigenous support by... offering education, representa-... tion and protection, and had... reached a point at which nego-... ciations with the PAIGC leader... Amílcar Cabral, could be... opened. Contact was made... through Senegal, where Léopold... Senghor was reluctant to see... the Marxist regime of Sékou... Touré in Guinea-Conakry extend... into Portuguese Guinea. A Por-... tuguese emissary visited Dakar... for discussions, but his visit was... never returned. In January, 1973, the conciliatory Amílcar... Cabral died in a mysterious... accident. The Russians had... promised the PAIGC to provide... planes, but the training of... indigenous airmen proved a... more difficult process than... anticipated. Unable to create a... Guinean air-force, they sent... SAM missiles, which the Por-... tuguese air-communications... Gen Spínola, like Dr Salazar, be-... lieved in a future federation... of Portuguese Africa. In 1972 he... was able to boost the popu-... larity in Portugal itself. In 1972 he saw Dr Salazar, who was... reluctant to embark on im-... mediate negotiations because... they would give rise to imme-... diate demands for similar nego-... ciations elsewhere. He advised... the enthusiastic general to widen... his experience with visits to... Angola and Mozambique and... finally told him that it might... even be preferable to face... defeat in Guinea rather than... create an undesirable precedent.

General Spínola was dismayed: did Dr Salazar prefer defeat in... Guinea? Dr Salazar replied that... armies must fight and fight to... achieve victory. If the army in... Guinea were worsted, they... would have done their best, but... the duty of the government was... to defend the whole of the over-... seas territories.

It was this bucket of cold... water that led to discouragement... in Spínola's Guinea, and to the... rift between the government... and Spínola expressed in his... book. He returned to Portu-... gal in August, 1973. He was... elected a seat in the National... Assembly to be elected in... October, but refused. It was... proposed to make him inspector... of the army, but this gave rise... to problems of rank. It was only... in January, 1974, that a place... was found for him as deputy... Chief-of-staff under Gen Costa... Gomes, a position created speci-... ally for him. He had by this... time completed his book, but... had not submitted it to higher... authority. Dr Salazar had... raised this with him and... offered to read it himself, but... "superior authority" meant... Costa Gomes, who was about to... depart for Mozambique, and... took it with him to read.

Prof H. V. Livermore

The author is Professor of Spanish and Portuguese at the University of British Columbia, Canada, and a corresponding member of the Lisbon Academy of Sciences.

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## Lloyd George really did know my father

father, Reginald Berkeley, would be... today. He died prematurely of... monia exactly 40 years ago. He... eved a fame that was more than... erate, even if it was not lasting. He... the author of several well-known... s, the most successful of which was... ch Leave but *The Lady with a...* p was thought to have greater... atic merit. He was awarded the... ary Cross for gallantry during the... World War. He was a Liberal Mem-... of Parliament, but although he won... General Elections, he had the chro-... nical misfortune to sit in the House... of Commons for a mere two years. He... was possible for one of the first major... wood sound films produced with a... ical grandeur which is now exist-... ing, in 1934, the screenplay of Noël... trid's *Cavalcade*.

have achieved these feats, if they... he so described, at the age of 45,... are a verisimilitude which cannot be... ad. Any interest he may have... sed, however, was not due to whi-... id, which can be established through... rsal of *Who was Who* 1929-1940... rs, rather, upon the kind of man that... as. If I had to describe him in one... I would have called him extra-... Everything about him was a little... r than life. He was a caricature, so-... times more ridiculous, some-... more impetuous, sometimes more... sorious, and sometimes more... ous than the normal person.

was married twice, fathering from... two unions five children. He... yed his political career by eloping... my mother, who was already married... mebody else, in 1924 when he was... 34. This was at a time when divorce... s Members of Parliament was un-... n and, therefore, not tolerated. It... not untypical of his character to... returned to Central Nottingham,... eat which he had represented in... nent, to contest a subsequent by-... no accompanied by my mother who... by then his second wife. He was... nely astonished that his second... was not accepted by the... rate, which in 1930 still did not... e divorce, and that he came bottom... poll. Women played a large role in... fe, though this was not primarily... heir intellectual qualities. He pre-... the company of men.

came from what genealogists would... the cadet branch of an ancient

family. The Berkeley family is one of three... which can trace its ancestry back to well... before the Norman conquest. My father... did not inherit money but he was not... acquisitive. At times he earned a great... deal, as others, he was penurious to the... point of insolvency. He dealt with the... problem of money by ignoring it. His life... style hardly altered, although his financial... state underwent violent fluctuations. He... lived, when necessary, on credit, frequently owing large sums of money to... local tradesmen. This made a walk down... Marlow High Street, where we lived, a... daily hazard for my mother. In the last... resort our Nanny was the family banker. With due solemnity she would receive her... wages each Friday. The first time I saw... this sum was, as often as not, a loan to my... father to pay for his train fare to London. We never had less than three full time... domestic servants and a gardener—the sole... concession to economy being that Nanny... would also during a financial crisis, do the... cooking at which she was more adept than... any substantial cook. The bailiff was a... familiar figure, who was more than once... mistaken by our neighbours for my god-... father. One of my earliest recollections is... of our new Aga cooker being removed... while my father, purple with rage on the... lawn was threatening to send a telegram... to the Lord Chancellor.

My father's sole concession to the huge... salary which he earned in Hollywood... during the last two years of his life was... to make a series of annual allowances to... his equally impoverished literary friends... to the detriment of my mother, who was... shortly to become a widow, and his... children.

My father was a Liberal because he... hated the Tory Party which he regarded... as an institution of privilege. Despite this... fact most of his political friends were Con-... servatives. He was intensely personally... loyal and was so to the end of his life. Lloyd George, to whom he had once acted... as an unofficial private secretary and... against whom he would never hear a word... of criticism. My father, though not without... fear, was a brave man as his Military Cross... indicated. He hated war but loved the... comradeship of the trenches. He never... had any feeling of class superiority or... inferiority but was always impatient with... social pretensions. He was a founder mem-... ber of the staff of the secretariat of the... League of Nations in Geneva and formed a... life-long friendship with Lord Cecil of... Chelwood. He resigned from the secre-

tarist of the league when he became a... Liberal parliamentary candidate. He was... briefly on the staff of the League of... Nations Union as Head of Information... Services before he entered Parliament in... the only based upon team work, subse-... quently on its executive committee.

My father was inclined to quarrel but... he never bore malice or nurtured a... grievance, and was genuinely surprised... when others did. Perhaps he paid too... little attention to the need for aftercare... treatment after scoring a personal vic-... tory. He was a passionate lover of cricket, which unhappily his enthusiasm taught... me to hate. He played for the House of... Commons and the Invalids, which he... founded with the late Sir John Squire. Indeed, he was the fast bowler who was... immortalized in A. G. Macdonnell's... *England, Their England*.

He was never forgiven, during his life-... time, by Lord Beaverbrook for refusing... to lend his name to a leading article, as... chief leader writer of the *Daily Express*, which his proprietor had dictated (thus... causing his instant dismissal and another... financial crisis in our lives). Lord Beaver-... brook in 1954, with his own characteris-... tic brand of generosity, gave me lunch and... spoke highly and movingly of my father's... character.

I was nine when my father died and I... had not seen him for a year, since he was... in Hollywood at the time of his death. My... half brother was drowned when serv-... ing with the Royal Navy during the war. I... am his only surviving son. I did not... know my father when we were both men. I... do not have romantic ideas about his... private conduct which, on the whole, I... regard as having been, perhaps, a little... above that of the average man. Certainly, he... left behind a multitude of friends, as... my mother's letters of condolence... demonstrate.

In my political conduct, I find myself... almost obsessed by my father's example, brief though it was. Continually I ask... myself "Would he have approved?" and I... find that approval necessary for my own... self-respect. I am still searching for that... approval. I now realise, at the age of 49... that I may never be satisfied; but that... does not invalidate the quest. Nor does it... mean that I shall not find the answer... before I am too old, or that I cannot find... it now as a Social Democrat within the... Labour Party, which he might well have... joined had he lived.

Humphry Berkeley

## SPORT

### Athletics



From one big shot to another. The runner-up, Rothenburg (right), of East Germany, congratulates Capes, of Britain, on his victory.

## First day belongs to East Germany

Nice, August 17.—East Germany were in front in both the men's and women's competitions in the European Cup finals here at the end of the first day. The East German men led Poland by 60 points to 51, with the Soviet Union third on 49. Great Britain and West Germany were fourth equal with 45 points each.

The Soviet Union might have been second but Evgenii Gabrilenko fell half way through the 400 metres hurdles and they scored no points. The East German men led Poland by 60 points to 51, with the Soviet Union third on 49. Great Britain and West Germany were fourth equal with 45 points each.

The East German men began the day well when Renata Stecher, a 400 metres world record holder, sprinted to victory in the 100 metres. Andrea Lynch, of Britain, was second ahead of Irena Sawicka, of Poland. Mrs Sawicka may have been holding back for the later produced a fine run in the 400 metres to beat Ellen Streidt, of East Germany, by inches.

Two of the British wins came in exciting races. David Jenkins held off a late challenge from Markku Kukkonen, of Finland, in the 400 metres and Alan Pascoe pulled away from Jean-Claude Nallet, of France, over the last two obstacles of the 400 metres hurdles. The third victory was scored by Geoffrey Capes who beat Heinz Rothenburg of East Germany, to win the shot put.

The field events provided some of the best performances of the day with three men achieving more than 249 ft in the hammer, the first time so many men have thrown so far in one event. It was won by Karl-Hans Riehm, a former world record holder, with a throw of 254 ft 3 in.

The East German women began the day well when Renata Stecher, a 400 metres world record holder, sprinted to victory in the 100 metres. Andrea Lynch, of Britain, was second ahead of Irena Sawicka, of Poland. Mrs Sawicka may have been holding back for the later produced a fine run in the 400 metres to beat Ellen Streidt, of East Germany, by inches.

### Saturday's Nice results

Men	2500 Yds: 2. J. Schaefer (FRG), 15:40.37; 3. P. Dieckmann (FRG), 15:40.37; 4. A. Pascoe (GB), 15:40.37.
5000 Yds: 1. V. Norov (USSR), 32:10.37; 2. P. Menning (FRG), 32:10.37; 3. H. Bommel (FRG), 32:10.37; 4. A. Pascoe (GB), 32:10.37.	
100 METRES: 1. V. Norov (USSR), 10.40sec; 2. P. Menning (FRG), 10.40; 3. H. Bommel (FRG), 10.43; 4. A. Pascoe (GB), 10.43.	
400 METRES: 1. D. Jenkins (GB), 45.36; 2. H. Rothenburg (FRG), 45.37; 3. J. Kukkonen (FIN), 45.37; 4. A. Pascoe (GB), 45.37.	
800 METRES: 1. J. M. Weller (FRG), 2.00.37; 2. G. Black (FRG), 2.00.37; 3. G. Black (FRG), 2.00.37; 4. G. Black (FRG), 2.00.37.	
1500 METRES: 1. J. M. Weller (FRG), 4.00.37; 2. G. Black (FRG), 4.00.37; 3. G. Black (FRG), 4.00.37; 4. G. Black (FRG), 4.00.37.	
5000 METRES: 1. J. M. Weller (FRG), 16.00.37; 2. G. Black (FRG), 16.00.37; 3. G. Black (FRG), 16.00.37; 4. G. Black (FRG), 16.00.37.	
10000 METRES: 1. J. M. Weller (FRG), 32.00.37; 2. G. Black (FRG), 32.00.37; 3. G. Black (FRG), 32.00.37; 4. G. Black (FRG), 32.00.37.	
20000 METRES: 1. J. M. Weller (FRG), 64.00.37; 2. G. Black (FRG), 64.00.37; 3. G. Black (FRG), 64.00.37; 4. G. Black (FRG), 64.00.37.	
40000 METRES: 1. J. M. Weller (FRG), 128.00.37; 2. G. Black (FRG), 128.00.37; 3. G. Black (FRG), 128.00.37; 4. G. Black (FRG), 128.00.37.	
80000 METRES: 1. J. M. Weller (FRG), 256.00.37; 2. G. Black (FRG), 256.00.37; 3. G. Black (FRG), 256.00.37; 4. G. Black (FRG), 256.00.37.	
160000 METRES: 1. J. M. Weller (FRG), 512.00.37; 2. G. Black (FRG), 512.00.37; 3. G. Black (FRG), 512.00.37; 4. G. Black (FRG), 512.00.37.	
320000 METRES: 1. J. M. Weller (FRG), 1024.00.37; 2. G. Black (FRG), 1024.00.37; 3. G. Black (FRG), 1024.00.37; 4. G. Black (FRG), 1024.00.37.	
640000 METRES: 1. J. M. Weller (FRG), 2048.00.37; 2. G. Black (FRG), 2048.00.37; 3. G. Black (FRG), 2048.00.37; 4. G. Black (FRG), 2048.00.37.	
1280000 METRES: 1. J. M. Weller (FRG), 4096.00.37; 2. G. Black (FRG), 4096.00.37; 3. G. Black (FRG), 4096.00.37; 4. G. Black (FRG), 4096.00.37.	
2560000 METRES: 1. J. M. Weller (FRG), 8192.00.37; 2. G. Black (FRG), 8192.00.37; 3. G. Black (FRG), 8192.00.37; 4. G. Black (FRG), 8192.00.37.	
5120000 METRES: 1. J. M. Weller (FRG), 16384.00.37; 2. G. Black (FRG), 16384.00.37; 3. G. Black (FRG), 16384.00.37; 4. G. Black (FRG), 16384.00.37.	
10240000 METRES: 1. J. M. Weller (FRG), 32768.00.37; 2. G. Black (FRG), 32768.00.37; 3. G. Black (FRG), 32768.00.37; 4. G. Black (FRG), 32768.00.37.	
20480000 METRES: 1. J. M. Weller (FRG), 65536.00.37; 2. G. Black (FRG), 65536.00.37; 3. G. Black (FRG), 65536.00.37; 4. G. Black (FRG), 65536.00.37.	
40960000 METRES: 1. J. M. Weller (FRG), 131072.00.37; 2. G. Black (FRG), 131072.00.37; 3. G. Black (FRG), 131072.00.37; 4. G. Black (FRG), 131072.00.37.	
81920000 METRES: 1. J. M. Weller (FRG), 262144.00.37; 2. G. Black (FRG), 262144.00.37; 3. G. Black (FRG), 262144.00.37; 4. G. Black (FRG), 262144.00.37.	
163840000 METRES: 1. J. M. Weller (FRG), 524288.00.37; 2. G. Black (FRG), 524288.00.37; 3. G. Black (FRG), 524288.00.37; 4. G. Black (FRG), 524288.00.37.	
327680000 METRES: 1. J. M. Weller (FRG), 1048576.00.37; 2. G. Black (FRG), 1048576.00.37; 3. G. Black (FRG), 1048576.00.37; 4. G. Black (FRG), 1048576.00.37.	
655360000 METRES: 1. J. M. Weller (FRG), 2097152.00.37; 2. G. Black (FRG), 2097152.00.37; 3. G. Black (FRG), 2097152.00.37; 4. G. Black (FRG), 2097152.00.37.	
1310720000 METRES: 1. J. M. Weller (FRG), 4194304.00.37; 2. G. Black (FRG), 4194304.00.37; 3. G. Black (FRG), 4194304.00.37; 4. G. Black (FRG), 4194304.00.37.	
2621440000 METRES: 1. J. M. Weller (FRG), 8388608.00.37; 2. G. Black (FRG), 8388608.00.37; 3. G. Black (FRG), 8388608.00.37; 4. G. Black (FRG), 8388608.00.37.	
5242880000 METRES: 1. J. M. Weller (FRG), 16777216.00.37; 2. G. Black (FRG), 16777216.00.37; 3. G. Black (FRG), 16777216.00.37; 4. G. Black (FRG), 16777216.00.37.	
10485760000 METRES: 1. J. M. Weller (FRG), 33554432.00.37; 2. G. Black (FRG), 33554432.00.37; 3. G. Black (FRG), 33554432.00.37; 4. G. Black (FRG), 33554432.00.37.	
20971520000 METRES: 1. J. M. Weller (FRG), 67108864.00.37; 2. G. Black (FRG), 67108864.00.37; 3. G. Black (FRG), 67108864.00.37; 4. G. Black (FRG), 67108864.00.37.	
41943040000 METRES: 1. J. M. Weller (FRG), 134217728.00.37; 2. G. Black (FRG), 134217728.00.37; 3. G. Black (FRG), 134217728.00.37; 4. G. Black (FRG), 134217728.00.37.	
83886080000 METRES: 1. J. M. Weller (FRG), 268435456.00.37; 2. G. Black (FRG), 268435456.00.37; 3. G. Black (FRG), 268435456.00.37; 4. G. Black (FRG), 268435456.00.37.	
167772160000 METRES: 1. J. M. Weller (FRG), 536870912.00.37; 2. G. Black (FRG), 536870912.00.37; 3. G. Black (FRG), 536870912.00.37; 4. G. Black (FRG), 536870912.00.37.	
335544320000 METRES: 1. J. M. Weller (FRG), 1073741824.00.37; 2. G. Black (FRG), 1073741824.00.37; 3. G. Black (FRG), 1073741824.00.37; 4. G. Black (FRG), 1073741824.00.37.	
671088640000 METRES: 1. J. M. Weller (FRG), 2147483648.00.37; 2. G. Black (FRG), 2147483648.00.37; 3. G. Black (FRG), 2147483648.00.37; 4. G. Black (FRG), 2147483648.00.37.	
1342177280000 METRES: 1. J. M. Weller (FRG), 4294967296.00.37; 2. G. Black (FRG), 4294967296.00.37; 3. G. Black (FRG), 4294967296.00.37; 4. G. Black (FRG), 4294967296.00.37.	
2684354560000 METRES: 1. J. M. Weller (FRG), 8589934592.00.37; 2. G. Black (FRG), 8589934592.00.37; 3. G. Black (FRG), 8589934592.00.37; 4. G. Black (FRG), 8589934592.00.37.	
5368709120000 METRES: 1. J. M. Weller (FRG), 17179869184.00.37; 2. G. Black (FRG), 17179869184.00.37; 3. G. Black (FRG), 17179869184.00.37; 4. G. Black (FRG), 17179869184.00.37.	
10737418240000 METRES: 1. J. M. Weller (FRG), 34359738368.00.37; 2. G. Black (FRG), 34359738368.00.37; 3. G. Black (FRG), 34359738368.00.37; 4. G. Black (FRG), 34359738368.00.37.	
21474836480000 METRES: 1. J. M. Weller (FRG), 68719476736.00.37; 2. G. Black (FRG), 68719476736.00.37; 3. G. Black (FRG), 68719476736.00.37; 4. G. Black (FRG), 68719476736.00.37.	
42949672960000 METRES: 1. J. M. Weller (FRG), 137438953472.00.37; 2. G. Black (FRG), 137438953472.00.37; 3. G. Black (FRG), 137438953472.00.37; 4. G. Black (FRG), 137438953472.00.37.	
85899345920000 METRES: 1. J. M. Weller (FRG), 274877906944.00.37; 2. G. Black (FRG), 274877906944.00.37; 3. G. Black (FRG), 274877906944.00.37; 4. G. Black (FRG), 274877906944.00.37.	
171798691840000 METRES: 1. J. M. Weller (FRG), 549755813888.00.37; 2. G. Black (FRG), 549755813888.00.37; 3. G. Black (FRG), 549755813888.00.37; 4. G. Black (FRG), 549755813888.00.37.	
343597383680000 METRES: 1. J. M. Weller (FRG), 1099511627776.00.37; 2. G. Black (FRG), 1099511627776.00.37; 3. G. Black (FRG), 1099511627776.00.37; 4. G. Black (FRG), 1099511627776.00.37.	
687194767360000 METRES: 1. J. M. Weller (FRG), 2199023255552.00.37; 2. G. Black (FRG), 2199023255552.00.37; 3. G. Black (FRG), 2199023255552.00.37; 4. G. Black (FRG), 2199023255552.00.37.	
1374389534720000 METRES: 1. J. M. Weller (FRG), 4398046511104.00.37; 2. G. Black (FRG), 4398046511104.00.37; 3. G. Black (FRG), 4398046511104.00.37; 4. G. Black (FRG), 4398046511104.00.37.	
2748779069440000 METRES: 1. J. M. Weller (FRG), 8796093022208.00.37; 2. G. Black (FRG), 8796093022208.00.37; 3. G. Black (FRG), 8796093022208.00.37; 4. G. Black (FRG), 8796093022208.00.37.	
5497558138880000 METRES: 1. J. M. Weller (FRG), 17592186044416.00.37; 2. G. Black (FRG), 17592186044416.00.37; 3. G. Black (FRG), 17592186044416.00.37; 4. G. Black (FRG), 17592186044416.00.37.	
10995116277760000 METRES: 1. J. M. Weller (FRG), 35184372088832.00.37; 2. G. Black (FRG), 35184372088832.00.37; 3. G. Black (FRG), 35184372088832.00.37; 4. G. Black (FRG), 35184372088832.00.37.	
21376744177760000 METRES: 1. J. M. Weller (FRG), 70368744177664.00.37; 2. G. Black (FRG), 70368744177664.00.37; 3. G. Black (FRG), 70368744177664.00.37; 4. G. Black (FRG), 70368744177664.00.37.	
42753488355520000 METRES: 1. J. M. Weller (FRG), 140737488355328.00.37; 2. G. Black (FRG), 140737488355328.00.37; 3. G. Black (FRG), 140737488355328.00.37; 4. G. Black (FRG), 140737488355328.00.37.	
85466976711040000 METRES: 1. J. M. Weller (FRG), 281474976710656.00.37; 2. G. Black (FRG), 281474976710656.00.37; 3. G. Black (FRG), 281474976710656.00.37; 4. G. Black (FRG), 281474976710656.00.37.	
162933953422080000 METRES: 1. J. M. Weller (FRG), 562949953421312.00.37; 2. G. Black (FRG), 562949953421312.00.37; 3. G. Black (FRG), 562949953421312.00.37; 4. G. Black (FRG), 562949953421312.00.37.	
325867906844160000 METRES: 1. J. M. Weller (FRG), 1125899906842624.00.37; 2. G. Black (FRG), 1125899906842624.00.37; 3. G. Black (FRG), 1125899906842624.00.37; 4. G. Black (FRG), 1125899906842624.00.37.	
651735813688320000 METRES: 1. J. M. Weller (FRG), 2251799813685248.00.37; 2. G. Black (FRG), 2251799813685248.00.37; 3. G. Black (FRG), 2251799813685248.00.37; 4. G. Black (FRG), 2251799813685248.00.37.	
1303471627376640000 METRES: 1. J. M. Weller (FRG), 4503599627370496.00.37; 2. G. Black (FRG), 4503599627370496.00.37; 3. G. Black (FRG), 4503599627370496.00.37; 4. G. Black (FRG), 4503599627370496.00.37.	
2606943254753280000 METRES: 1. J. M. Weller (FRG), 9007199254740992.00.37; 2. G. Black (FRG), 9007199254740992.00.37; 3. G. Black (FRG), 9007199254740992.00.37; 4. G. Black (FRG), 9007199254740992.00.37.	

Women	100 METRES: 1. R. Sinner (FRG), 13.00.37; 2. A. Pich (FRG), 13.00.37; 3. A. Pich (FRG), 13.00.37; 4. A. Pich (FRG), 13.00.37.
400 METRES: 1. R. Sinner (FRG), 45.36; 2. H. Rothenburg (FRG), 45.37; 3. J. Kukkonen (FIN), 45.37; 4. A. Pascoe (GB), 45.37.	
800 METRES: 1. J. M. Weller (FRG), 2.00.37; 2. G. Black (FRG), 2.00.37; 3. G. Black (FRG), 2.00.37; 4. G. Black (FRG), 2.00.37.	
1500 METRES: 1. J. M. Weller (FRG), 4.00.37; 2. G. Black (FRG), 4.00.37; 3. G. Black (FRG), 4.00.37; 4. G. Black (FRG), 4.00.37.	
5000 METRES: 1. J. M. Weller (FRG), 16.00.37; 2. G. Black (FRG), 16.00.37; 3. G. Black (FRG), 16.00.37; 4. G. Black (FRG), 16.00.37.	
10000 METRES: 1. J. M. Weller (FRG), 32.00.37; 2. G. Black (FRG), 32.00.37; 3. G. Black (FRG), 32.00.37; 4. G. Black (FRG), 32.00.37.	
20000 METRES: 1. J. M. Weller (FRG), 64.00.37; 2. G. Black (FRG), 64.00.37; 3. G. Black (FRG), 64.00.37; 4. G. Black (FRG), 64.00.37.	
40000 METRES: 1. J. M. Weller (FRG), 128.00.37; 2. G. Black (FRG), 128.00.37; 3. G. Black (FRG), 128.00.37; 4. G. Black (FRG), 128.00.37.	
80000 METRES: 1. J. M. Weller (FRG), 256.00.37; 2. G. Black (FRG), 256.00.37; 3. G. Black (FRG), 256.00.37; 4. G. Black (FRG), 256.00.37.	
160000 METRES: 1. J. M. Weller (FRG), 512.00.37; 2. G. Black (FRG), 512.00.37; 3. G. Black (FRG), 512.00.37; 4. G. Black (FRG), 512.00.37.	
320000 METRES: 1. J. M. Weller (FRG), 1024.00.37; 2. G. Black (FRG), 1024.00.37; 3. G. Black (FRG), 1024.00.37; 4. G. Black (FRG), 1024.00.37.	
640000 METRES: 1. J. M. Weller (FRG), 2048.00.37; 2. G. Black (FRG), 2048.00.37; 3. G. Black (FRG), 2048.00.37; 4. G. Black (FRG), 2048.00.37.	
1280000 METRES: 1. J. M. Weller (FRG), 4096.00.37; 2. G. Black (FRG), 4096.00.37; 3. G. Black (FRG), 4096.00.37; 4. G. Black (FRG), 4096.00.37.	
2560000 METRES: 1. J. M. Weller (FRG), 8192.00.37; 2. G. Black (FRG), 8192.00.37; 3. G. Black (FRG), 8192.00.37; 4. G. Black (FRG), 8192.00.37.	
5120000 METRES: 1. J. M. Weller (FRG), 16384.00.37; 2. G. Black (FRG), 16384.00.37; 3. G. Black (FRG), 16384.00.37; 4. G. Black (FRG), 16384.00.37.	
10240000 METRES: 1. J. M. Weller (FRG), 32768.00.37; 2. G. Black (FRG), 32768.00.37; 3. G. Black (FRG), 32768.00.37; 4. G. Black (FRG), 32768.00.37.	
20480000 METRES: 1. J. M. Weller (FRG), 65536.00.37; 2. G. Black (FRG), 65536.00.37; 3. G. Black (FRG), 65536.00.37; 4. G. Black (FRG), 65536.00.37.	
40960000 METRES: 1. J. M. Weller (FRG), 131072.00.37; 2. G. Black (FRG), 131072.00.37; 3. G. Black (FRG), 131072.00.37; 4. G. Black (FRG), 131072.00.37.	
81920000 METRES: 1. J. M. Weller (FRG), 262144.00.37; 2. G. Black (FRG), 262144.00.37; 3. G. Black (FRG), 262144.00.37; 4. G. Black (FRG), 262144.00.37.	
163840000 METRES: 1. J. M. Weller (FRG), 524288.00.37; 2. G. Black (FRG), 524288.00.37; 3. G. Black (FRG), 524288.00.37; 4. G. Black (FRG), 524288.00.37.	
327680000 METRES: 1. J. M. Weller (FRG), 1048576.00.37; 2. G. Black (FRG), 1048576.00.37; 3. G. Black (FRG), 1048576.00.37; 4. G. Black (FRG), 1048576.00.37.	
655360000 METRES: 1. J. M. Weller (FRG), 2097152.00.37; 2. G. Black (FRG), 2097152.00.37; 3. G. Black (FRG), 2097152.00.37; 4. G. Black (FRG), 2097152.00.37.	
1310720000 METRES: 1. J. M. Weller (FRG), 4194304.00.37; 2. G. Black (FRG), 4194304.00.37; 3. G. Black (FRG), 4194304.00.37; 4. G. Black (FRG), 4194304.00.37.	
2621440000 METRES: 1. J. M. Weller (FRG), 8388608.00.37; 2. G. Black (FRG), 8388608.00.37; 3. G. Black (FRG), 8388608.00.37; 4. G. Black (FRG), 8388608.00.37.	
5242880000 METRES: 1. J. M. Weller (FRG), 16777216.00.37; 2. G. Black (FRG), 16777216.00.37; 3. G. Black (FRG), 16777216.00.37; 4. G. Black (FRG), 16777216.00.37.	
10485760000 METRES: 1. J. M. Weller (FRG), 33554432.00.37; 2. G. Black (FRG), 33554432.00.37; 3. G. Black (FRG), 33554432.00.37; 4. G. Black (FRG), 33554432.00.37.	
20971520000 METRES: 1. J. M. Weller (FRG), 67108864.00.37; 2. G. Black (FRG), 67108864.00.37; 3. G. Black (FRG), 67108864.00.37; 4. G. Black (FRG), 67108864.00.37.	
41943040000 METRES: 1. J. M. Weller (FRG), 134217728.00.37; 2. G. Black (FRG), 134217728.00.37; 3. G. Black (FRG), 134217728.00.37; 4. G. Black (FRG), 134217728.00.37.	
83886080000 METRES: 1. J. M. Weller (FRG), 268435456.00.37; 2. G. Black (FRG), 268435456.00.37; 3. G. Black (FRG), 268435456.00.37; 4. G. Black (FRG), 268435456.00.37.	
167772160000 METRES: 1. J. M. Weller (FRG), 536870912.00.37; 2. G. Black (FRG), 536870912.00.37; 3. G. Black (FRG), 536870912.00.37; 4. G. Black (FRG), 536870912.00.37.	
335544320000 METRES: 1. J. M. Weller (FRG), 1073741824.00.37; 2. G. Black (FRG), 1073741824.00.37; 3. G. Black (FRG), 1073741824.00.37; 4. G. Black (FRG), 1073741824.00.37.	
671088640000 METRES: 1. J. M. Weller (FRG), 2147483648.00.37; 2. G. Black (FRG), 2147483648.00.37; 3. G. Black (FRG), 2147483648.00.37; 4. G. Black (FRG), 2147483648.00.37.	
1342177280000 METRES: 1. J. M. Weller (FRG), 4294967296.00.37; 2. G. Black (FRG), 4294967296.00.37; 3. G. Black (FRG), 4294967296.00.37; 4. G. Black (FRG), 4294967296.00.37.	
2684354560000 METRES: 1. J. M. Weller (FRG), 8589934592.00.37; 2. G. Black (FRG), 8589934592.00.37; 3. G. Black (FRG), 8589934592.00.37; 4. G. Black (FRG), 8589934592.00.37.	
5368709120000 METRES: 1. J. M. Weller (FRG), 17179869184.00.37; 2. G. Black (FRG), 17179869184.00.37; 3. G. Black (FRG), 17179869184.00.37; 4. G. Black (FRG), 17179869184.00.37.	
10737418240000 METRES: 1. J. M. Weller (FRG), 34359738368.00.37; 2. G. Black (FRG), 34359738368.00.37; 3. G. Black (FRG), 34359738368.00.37; 4. G. Black (FRG), 34359738368.00.37.	
21474836480000 METRES: 1. J. M. Weller (FRG), 68719476736.00.37; 2. G. Black (FRG), 68719476736.00.37; 3. G. Black (FRG), 68719476736.00.37; 4. G. Black (FRG), 68719476736.00.37.	
42949672960000 METRES: 1. J. M. Weller (FRG), 137438953472.00.37; 2. G. Black (FRG), 137438953472.00.37; 3. G. Black (FRG), 137438953472.00.37; 4. G. Black (FRG), 137438953472.00.37.	
85899345920000 METRES: 1. J. M. Weller (FRG), 274877906944.00.37; 2. G. Black (FRG), 274877906944.00.37; 3. G. Black (FRG), 274877906944.00.37; 4. G. Black (FRG), 274877906944.00.37.	
171798691840000 METRES: 1. J. M. Weller (FRG), 549755813888.00.37; 2. G. Black (FRG), 549755813888.00.37; 3. G. Black (FRG), 549755813888.00.37; 4. G. Black (FRG), 549755813888.00.37.	
343597383680000 METRES: 1. J. M. Weller (FRG), 1099511627776.00.37; 2. G. Black (FRG), 1099511627776.00.37; 3. G. Black (FRG), 1099511627776.00.37; 4. G. Black (FRG), 1099511627776.00.37.	
687194767360000 METRES: 1. J. M. Weller (FRG), 2199023255552.00.37; 2. G. Black (FRG), 2199023255552.00.37; 3. G. Black (FRG), 2199023255552.00.37; 4. G. Black (FRG), 2199023255552.00.37.	
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# The Empire has gone, but we still have a major world role

It is very rarely that the official Opposition divides the House against the Government on an issue of foreign affairs. It has not happened in the present Parliament, and apart from divisions on the European Community Act, which was rather a special occasion, it has been rare since 1945.

This does not mean that the Opposition is under any obligation to give automatic support to the Government, nor, I would hasten to add—lest Mr Callaghan should object—is there any obligation on the Government to produce a policy to suit the Opposition. But what it does mean is two things.

First, that for many years now there has been a general custom of trying to reach an agreed approach on the British national interest in our dealings with the outside world; and second, that the deep divisions on these issues lie not so much between the parties, as between the left and right wings of the Labour Party.

For many years now, from the days of Ernest Bevin, we have seen the spectacle of Labour foreign secretaries at question time harassed and attacked from their own back benches by their extreme left, and, let it be said to their credit, hitting back with vigour and effect. The reason, I think, is simple. Labour foreign secretaries in office have recognised the two basic facts of British security: first, that our safety depends upon Nato, and upon the United States in particular; and second, that any threat to our safety that might arise, could only arise from the communist camp. These principles are definitely not accepted among the left wing of the Labour Party, where anti-Americanism has taken the place of the old tradition of pacifism and has combined with the fellow travelling supporters of the communist regimes.

Any attempt to assess the fundamentals of British foreign policy has to be made against a background of domestic change. We live in a world where more has changed in one generation than in centuries before, and it seems reasonable to expect that the expanding discoveries of science will impact ever more drastically upon the physical and social environment within which diplomacy must operate.

Let us consider some of the factors that affect Britain particularly. First, there is the loss of the Empire, the loss of our status from a country that ruled a quarter of mankind, to an island state of Western Europe.

This decline, coincident with the growth of the super powers, has meant a drastic

decline in our ability to influence affairs abroad. The relative decline in our gross national product has further undermined our influence. It is difficult, although impossible not to face this decline in our policies. But we must avoid the easy temptation of thinking that because we can no longer do everything we want to, there is nothing that we can do and it isn't worth trying.

And there is the nuclear stalemate. The balance of terror remains an effective shield against a new world war. It is certainly better than no shield at all, but it is not a shield. Such a weight of potential mutual destruction must not for ever overhang mankind with its consequent dangers of accidental conflict, and possibly more sinister, the proliferation of atomic weapons in the hands of irresponsible hands. This is the basic reason why the search for détente and disarmament is fundamental, though it must be pursued, if it is to be successful, with complete realism.

The third factor is the emergence of the concept of a concerted foreign policy on the part of the members of the EEC. Every month that passes, and every incident that occurs, underlines the limitations on the power of individual Western countries, and the need for them to work in concert if they are to exercise the influence that their united economic and political power could exert.

Fourthly, there is the new-found unity and confidence of the developing countries, particularly the raw materials producers. The oil producers have pointed the way; others are likely to follow. The situation is a new world order, in this country, where the power of monopoly trade unions has grown so fast, not only because it is technically greater in modern industry, but even more because its possessors have begun to realise what power they really wield.

On the other hand, the power of raw materials producers is clearly not in an identical position with trade unions, but the potential exercise of monopoly power on a world scale could make profound changes to world economic conditions. Indeed, one of the other changes is the growing emphasis on economic problems in international affairs, and the way in which traditional diplomacy and economic policy have become intertwined.

Finally, I would suggest that the absence of war on the world scale, and the relative freedom from international conflict enjoyed by many countries has led to greater inter-

national instability, as aggressive instincts, normally released in international conflict, now explode in internal ones. The resulting instability in many countries leads, as we can see graphically in the case of Portugal, for example, to new opportunities for intervention and to instability and threats to peace on an international scale.

Against this background, what should be the objectives of British policy? First and foremost, of course, the furtherance of British policy, both political and economic—and these, broadly speaking, mean the maintenance of peace, freedom of trade and access to the raw materials and markets we must have for our prosperity. This surely is unarguable.

But the sheer pursuit of Britain's interests narrowly defined cannot be everything. We must have regard for what we believe to be fair in our dealings with other countries. In the Middle East it must serve our narrow interests best to espouse the Arab cause wholeheartedly, and abandon Israel. Yet succeeding governments have refused, and rightly so, to do any such thing, believing that it would be unjust and immoral to do so, and that British interests must be based on an attempt to find a just and lasting solution.

Then there is also the question of how far, if at all, we should attempt to intervene in the internal affairs of other countries, particularly those whose regimes are repugnant to our ideas and democracy. Here clearly conflict arises.

We must remember that parliamentary democracy has not been a very successful export, and we cannot expect every country to accept our particular philosophy. Our power of action in the modern world has been drastically reduced, and expressions of moral outrage are often reduced to the status of actual counter-productive.

On the other hand, persuasive as is the call for minding Britain's business, it is not wholly convincing. It is one of the heartening features of our society that people do express their sense of outrage when they feel that there is persecution, for example, of the Jews in the Soviet Union. This was raised by Conservative MPs when we recently met a delegation of Soviet parliamentarians, and we claim that we have the view we were entitled to raise these matters.

But we must recognize that we cannot live alone, defended only by the integrity of our own principles of government.

**'We must recognize that we cannot live alone, defended only by the integrity of our own principles'**



We have to have friends and allies. Above all, we have to seek, in the long run, agreement with other systems, which we find repugnant, because the alternative of mutual destruction would help no one. Certainly we must be specially aware of cases where specially aware of cases where developments within a country can threaten our own security, and of cases where there appears to be not only a different system of political practice from our own, but also departure from accepted standards of fundamental human rights.

The difference between the Labour and Conservative parties in their approach to foreign policy often appears to be one of degree rather than kind, though it is surely true, as I believe Callaghan pointed out, that the two merge into one another. Certainly there are a number of matters in which there is a clear difference of emphasis. In defence matters, for example, we have criticized the Government and voted against it, because we believe that defence cuts, particularly in the naval field, are going much too far.

In the case of Europe, our support for the Community has been earlier and more consistent than that of the Labour Party, and with certain notable exceptions, such as Mr Jenkins, their enthusiasm has been notably less convincing. We feel sometimes, also, that there is a tendency to double standards in the Labour Government's choice of attitudes to differing countries throughout the world, a charge to which Mr Callaghan in his engaging manner, jovially admitted the other day. But the truth is that opposition spokesmen have, in the past, more freedom of expression than government ministers. While we must never forget that we hope to become the

government soon, and that what we have said in opposition will be remembered by countries with whom we will have diplomatic relations, there is the possibility of expressing ourselves more frankly and freely, opinions which often ministers may share, but are constrained from expressing by the necessities of diplomatic practice. Mrs Thatcher, for example, was able to call attention to the dangers of excessive optimism about Helsinki more bluntly than the Prime Minister was able to do. This is a clear advantage.

Our main foreign policy objective is the maintenance of our national security, with the long-term purpose of mutual disarmament and détente. We stressed and the Government accepted during the recent debate, that the Helsinki agreement in itself would not justify the standing down of a single Nato soldier. In fact, détente, if it is achieved, will in itself be the greatest justification of our policy. Now what we must see is whether, in the MBFR and SALT talks the Soviet Union applies the principles of Helsinki, because if it does, real progress in disarmament and towards peace can be made. We have to concentrate, as our first priority, on strengthening Nato, and of developing the EEC in a political as well as an economic context, and these problems the Conservative Party is studying.

The first problem is the question of direct election to the European Parliament. There is a clear but outdated commitment to this in the Treaty of Rome. The problems involved in the mechanics of the election, and the type of franchise, are considerable, and while we must respect the commitment, it is important to proceed with deliberation. Beyond this, the main develop-

ments on which we should concentrate appear to be twofold: there is within the framework of the Treaty of Rome, basically an economic treaty, provision for concerning policy on such matters as exchange rates, expansion and inflation, and energy.

Beyond the treaty we can see the development of a concerted approach to foreign policy problems. This I regard as being of the utmost importance, as each new problem we face tends to stress the common European interest.

Whether, in the long run, it is better to operate through common institutions is less important, what matters is to develop the will to work together, and the habit of doing so. There are some encouraging examples already, for example, in the Eastern Mediterranean. The more the better.

One of our difficult problems is the attitude to be taken to the United Nations. No one, I hope, would deny that it embodies the ultimate ideal of international cooperation. Equally, I hope no one would deny that practical results to date have fallen far short of that ideal. Our policy must be not one of despair, but one of trying to make the ideal progressively effective. There are two simple truths that must be faced. The first, that double standards do tend to operate within the United Nations, albeit for very understandable reasons. The second, is that the founders were realistic in recognizing that a system which gave any member the same voting power from the smallest to the greatest country, needed to be tempered with realism—hence the Security Council and the veto.

The truth, respectably, is that in all major matters of international concern it is the great powers and not the United Nations that call the tune. We must recognize this, and the implication it has for our partnership with the great powers, while maintaining our long-term desire to see the United Nations reestablished on the principles on which it was originally established.

Then there are areas of special interest, because of British history, tradition, or direct economic interest. For example, the Middle East, the eastern Mediterranean and southern Africa. In all these areas there are differences of emphasis between Conservatives and Labour. It is said the Labour Party are more pro-Israel, more pro-Greek, more anti the white governments remaining in Africa. I suspect that these differences once again are less between the two from benches, except possibly in the case of

Simons, than they are between backbench and front bench members on the Government side. I have thought it right as opposition spokesman on foreign affairs, to acknowledge, where possible, in these terms, where the official opposition is in agreement, and where the Government and the Opposition.

The Middle East remains one of the most dangerous areas. Peace there still remains remote. There are overlapping conflicts: Israeli versus Arab, right versus left, the Soviet Union versus the United States. There is also the essence of tragedy, the conflict not of right versus wrong but of right versus right; because there are rights and wrongs on both sides. Successive British governments have based their policy on United Nations resolution 242. The concept to which we have adhered is that Israel should return to the general position of the 1947 boundaries, and that the military advances thereby surrendered, should be compensated by an Arab recognition of the State of Israel, and a United Nations or other effective guarantee of her frontiers. A Palestinian state could be established on the West Bank of the Jordan. Whatever emphasis may be placed on either side, whatever the long-term arguments of rights denied, or rights threatened, it is hard to see any other outcome that in the foreseeable future will enable the peoples of the Middle East to live together in peace and prosperity.

There is cause for deep concern about the position in the Eastern Mediterranean, and Britain has a special responsibility in Cyprus. The threat to the integrity of Nato, arising from the Greek reaction and from the Turkish dispute with the United States, is a very serious one indeed. So far as possible, we should play the part of mediators. In Cyprus itself, it seems that a solution can come only from agreement between the two parties on the island.

In southern Africa, too, there appears to be movement. Our interests here involve not only our traditional and economic relations, but also the Cape route to India and the Far East. No one in the Conservative Party has defended the concept of apartheid. As the world has moved on, so the inevitability of majority rule in Rhodesia has become more apparent. But it is right for us to point out that Mr Vorster seems to have changed the emphasis of his policies, and is making a real effort to achieve an agreement with neighbour-

ing African states. In the process, who lives in this area, must be to achieving a transitional period ensuring that the for such a transition can have genuine But we must be contribution, though limited.

Finally, there special position Commonwealth. In the most fascinating of the illogicality of Commonwealth, persisted in the many crude calculations should sweep away without (as should be House of Lords), is that there within the Commonwealth common sentiments considerable importance both parties recognize increasingly the recognition is a primary film which is nevertheless, in the world would be the Commonwealth were to disappear, mutually accepted listy government opposition to try it.

The broad street foreign policy sharply divided change of government national interest change, much as adapt to external changes. In the future, the primary function is to exert a critical performance of the to chide when it tardiness, or lack to suggest what are needed, and support where justified. The role that Britain now is a very indeed from what years ago, but it less important, at no less honourable.

The author, Mr Chipping Barnard, Foreign Secretary. © Times Newspapers

## A working-class view of war

The odd man out of the poets of the Great War is perhaps belatedly but fittingly honoured with frequent biographies and the first comprehensive exhibition of his manuscripts and paintings. Other poets thrown up by the war, such as Siegfried Sassoon and Wilfred Owen, were officers and public school gentlemen. They had deep roots in English society and inherited values to set against the barbarities of war.

Isaac Rosenberg was working class from Stepney and a private soldier, the son of a fishwife, Jewish, and a family from Russia, though a volunteer not a conscript. Maybe the class barrier partly explains the lateness of his recognition. But it makes his point of view more vivid and contemporary 60 years later. Kids from the East End, coming to the poetry competition connected with the exhibition, regard Rosenberg proprietorially, as their local poet, in the same way that they support the Hammers. The exhibition confirms his status as one of the finest war poets, and the one whose attitudes and voices are closest to contemporary idiom. His paintings and drawings collected and shown for the first time suggest that his death in the trenches in April, 1918, was something that could have developed into a considerable artistic talent.

Jean Liddiard, author of the latest biography of Rosenberg's life (Gollancz, £4.50), gets to the heart of the matter when she says: "His vision is inclusive. Deprivation was commonplace to him, so he was not

shocked by war; for him life had always been a battleground. In the trenches the sense of isolation and harshness he had always felt enabled him to speak in his poetry for a generation suddenly confronted with a similar experience. He was a victim, not a conqueror, of his own rootlessness, of the class system, of the war itself; and in his work he turned his defeats into victories."

Clifford Simmons, deputy director of the National Book League, has organized, with the help of Jean Liddiard, a major exhibition of all Rosenberg's surviving manuscripts, notebooks, letters, paintings and drawings, supplemented by contemporary background material. The exhibition opens at the National Book League tomorrow.

Perhaps the most striking trivial first impression is the extreme poverty of the materials with which Rosenberg had to work. True poems like *Dead Man's Dump* and *Break of Day in the Trenches* are scrawled on backs of envelopes and other pathetic scraps of paper. *Daughters of War* is written in a tiny booklet made of lavatory paper.

He kept writing against all the odds, even when paper was hard to find, or the censor refused to let him send poems home.

His paintings are those of a young man, trying out different styles from the pre-Raphaelites and Blake (two of his most important influences on his verse) to Gauguin and Van Gogh. The proliferation of self-

portraits, often wearing a favourite hat, could be taken to indicate youthful vanity. But a more likely explanation is that Rosenberg the sitter was the only model that Rosenberg, the ambitious but impoverished artist from the East End could afford. His last self-portrait, of himself wearing a steel helmet at the front, is drawn with black chalk and gouache on crumpled brown wrapping paper that looks as if it came from some parcel of home comforts for the lads in the trenches.

The letters and other documents fill out the life and motive power of the blossoming talent. Late in 1915 he wrote to Edward Marsh: "I never joined the army from patriotic reasons. Nothing can justify war. I suppose we must all fight to get the trouble over. Anyhow before the war I helped at home things which helped to keep things going. I thought if I (sic) join there would be the separation allowance for my mother."

The first catalogue of Rosenberg's complete works, illustrated with his paintings and drawings, can be obtained from the National Book League for £2 plus postage. The Cockney who looked at war with a direct and unpretentious eye, and told it how it was without tunes of glory or anti-heroic rage, without idealism, is at last being recognized as the voice of the subject of war, and a significant symbolic figure.

Philip Howard

## Middle East: Throwing away golden opportunities

We are becoming dangerously complacent about the Middle East. Although some progress towards an interim agreement seems imminent, we are completely oblivious of the reality of the situation as seen through Arab eyes. The fact is that large areas of the West Bank, on the Golan Heights, in Sinai and in Jerusalem itself—will still be held by the Israelis. We may offhandedly hope for an eventual overall solution by the projected process of stage by stage. But why should the Arabs be either so optimistic or so unconcerned?

The slow progress—and the prospect of a limited agreement only between Egypt and Israel—is designed to divide the Arabs and they know it. The impending arrangement applies only to the Sinai peninsula and the Abu Rudeis oilfield. What is there in it for the Syrians—as regards the Golan—and the Palestinians, who are an essential element in a lasting settlement?

And the protraction of the occupation favours the Arabs. It gives her yet more time to root her hold on Arab lands by the continuing seeding of Zionist settlements. Voices of moderation are likely to recede such times and circumstances. This is the real danger of retreat into an anti-western attitude

among the growing masses of politically conscious Arabs. And if rejection by the United States Congress of Jordan's request for defensive missiles forces even King Hussein into an arms deal with Russia, the abandonment of the west will be under way.

The irony is that Israel's leaders cannot see that their intransigence ultimately endangers Israel herself. All the shuttle diplomacy of proposal and counter proposal prolongs the game but may lose the chance.

Such statements as President Sadat are in short supply. Holding the further frontiers of Israel only hardens the disapproval of the Third World.

Arab leaders have public opinions of their own to contend with. There is growing restiveness about the stalemate of occupation. And there are undoubtedly forces in Egypt eager to replace a President who has so wholeheartedly committed himself to a course which while supposedly applying pressure, is the prime supporter of Israel.

As moves towards settlement drag on over the years, war will become more likely. Apart from the increased risk of great power involvement which must follow the near defeat of either protagonist, the oil weapon will

Andrew Faulds

## Middle East: Throwing away golden opportunities

wreak havoc on the weakened economies of Europe. Britain would suffer grievously. Oil will be withheld and Arab funds withdrawn. Our teetering economy can only collapse and political and social disruption would be upon us.

It is essential in the interests of Britain that we pursue two main aims in the Middle East. The first, of course, is real progress towards a settlement. It is an abdication of responsibility that the Foreign Secretary should so tamely subscribe to Dr Kissinger's tactics. A Europe that has found new unity and purpose must assert her separate way. EEC efforts for improved relations with the Arab world will flourish if the EEC ministers argue for a speedy move to Geneva after proper preparation.

And why should Britain and France not accede to the reiterated Arab request to play a part at Geneva? Europe and the Arab world have a common future at stake. The socialist leaders of Europe meet their Israeli counterparts regularly at meetings of the Socialist International where the Arabs are yet welcome. Did Mr Wilson—and Chancellor Schmidt—impress on Mr Rabin at their recent meeting in Stockholm the urgent need for a retreat from Israeli intransigence and the occupied lands?

And what flag have we flown? Mr Callaghan has visited Egypt. But the Prime Minister has not been to a single Arab country (apart from a few hours in Tunisia some years ago to see the aging President Bour-

guiba). The Arab friendship with us is frequently the should now acquire tance or two amor socialist leaders. been invitations t tended to him whic found time to fit i Arabs recall that De to Israel and the Ch spent in Bethlehem territory. The Prime has a lot to live do Britain's interest, that he should no feet to Mecca and m the Arab leaders on soil. And a trip or Foreign Secretary the way would not t

We in the West—tain in particular— to be at all comp the Middle East sin need agreement as much as the comba we need good relat interflow of oil and more than most. A tical leaders and th community doing as well as they should one wonders.

The author is Labor Warley, East. © Times Newspapers

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## The Times Diary

### How freaks make out in the country

Alternative England and Wales, a rich and colourful guide which could be sub-titled *A Dodger's Dictionary*—will be published next month. It is from the resourceful pen of Nicholas Saunders, who scoured the country in a van picking up arctic tips on how to save five pence and where the freaks are at.

Wales has a good many "freak settlers" ("ex-city freaks") whom Saunders investigated: "So far there isn't much integration with the Welsh... when the first marriage between a freak and a local girl took place last autumn the police chose their wedding party for the first drugs raid in the area."

The country scene is very different from *Alternative London* which Saunders compiled recently. He realized with touching clarity in rural Wales: "Don't expect to rush into a scene the day you arrive—people living in the country get slowed down... if you're looking for a city-type scene you'll be disappointed—people are much more into their

animals, vegetables and babies: visiting each other often involves a long walk through the mud.

Saunders's range is wide. The contents cover Involvement, Retreats, Mystical and Martial Arts, not forgetting Herbalism and Ecology—nice to see old favourites not forgotten.

Saunders's own aim after compiling alternatives for others is to set up a village community; meanwhile he has contracted to write *The Alternative Future* for Thames and Hudson. "I hope to describe a complete social and economic structure that would be better to live in and practice to achieve. It is nice to meet a futurologist who is also an optimist."

### Gripping

To the surprise of the organizers Birmingham's first Pakistani sports day yesterday attracted a crowd of nearly 10,000 in spite of the counter attractions of the John Player

Sunday League round the corner at Edgbaston. Teams from as far away as High Wycombe and Leeds converged on Cathorpe Park to take part in the games, which chiefly consisted of wrestling, preceded by much chanting and leaping by the participants to create a suitable belligerent atmosphere.

Most of the afternoon was devoted to a knock-out contest between a kind of wrist wrestling which seemed fun to the combatants, but lacked the spectator appeal of the sweat-and-grim British television variety. None the less, some spectators were moved to indolence in their own inconspicuous anxiety among the officials who had not thought it necessary to request crowd-controlling police.

Undoubtedly, the best part of a Beenees contest is the winner's lap of honour, in which he strolls around the arena collecting pound notes from admirers.

The other main attraction was a display of Kabaddi, a cross between a children's game of tag and Rugby without a ball. In spite of the large crowd, not one of the spectators was female. "Our Birmingham community is very conservative, coming as they do from the country areas of Pakistan," explained D. M. Khan, one of the

organizers. "We do not believe that a sports day is the place for women. But, had we staged this event in London, it would have been a different story."

Now I know how travel agents keep up their supplies of superlatives and flowery prose. The brochure of the Vienna-based International Sightseeing and Tours Association, after giving the rates for advertising in its tariff book, states: "Clients may be either supplied by the agency, or paid for."

### Relief

Britain is not finished yet. Our inventiveness is, manufacturers claim, about to banish one of the world's many shortages. The Golden Street, its inventors claim, is all-British and it will "revolutionize" the supply of bows for stringed instruments. Hitherto there has been a dire shortage both of materials and makers, and most cheap bows had to be imported from Eastern Europe and Japan, often subject to long delays.

The bow is made up of two new wonder woods. The stick is made of sonotite, a "modern" material which is claimed to be stiffer than brazil wood and as light in weight. The hair is "Strader", a new pre-stretched synthetic which is

reckoned to be much better for the purpose than the nylon that some poor violinists have been reduced to using.

The invention is on display at the Music Trade Annual Exhibition in London this week, and it incorporates a spring mechanism "for instant rebinding." Supplied with hanks of Strader cut to length even schoolchildren can re-hair their bows in minutes when they scrape through them. The world should be grateful.

### Monster

While Britain surges ahead with musical innovation, Continentals are struggling to revive museum pieces. In the Paris Conservatoire a Swiss instrument-maker has been repairing an octobass, a sort of super doublebass invented by the nineteenth-century maker, Jean-Baptiste Vuillaume. Its pegs look like Mickey Mouse's ears, and it towers 10ft above him.

The instrument was lavishly praised by Hector Berlioz. He spoke of "sounds of remarkable beauty and power, full, strong and without any roughness." With his characteristic love of immensity he went on to recommend that any festival orchestra ought to have at least three octobasses.

As the finger board is well above the player's head and the stretch of the three strings far too broad for the fingers, the octobass had to have "mechanical fingers" invented to effect the stopping. These are levers worked either by the left hand or by the feet on a little platform where the player stands bowing with his right hand.

Concededly, shortly after it was invented, gave the octobass a part in his *Saint Cecilia*. Mass of 1851. The instrument is now being got ready to celebrate the one hundredth anniversary of Vuillaume's death and the winner of this year's Conservatoire prize for the doublebass class will play it properly for the first time since Vuillaume gave it to the Conservatoire 103 years ago.

The protagonists are Elaine's and Nicola's, two restaurants of much the same appearance only a few blocks apart on the

Dundee's most fashionable restaurant last week offered a dish called Filets de Sole Douce au Vin Blanc. It did not say whether they were using lemon-scented Vin, but I expect they would be with fish.

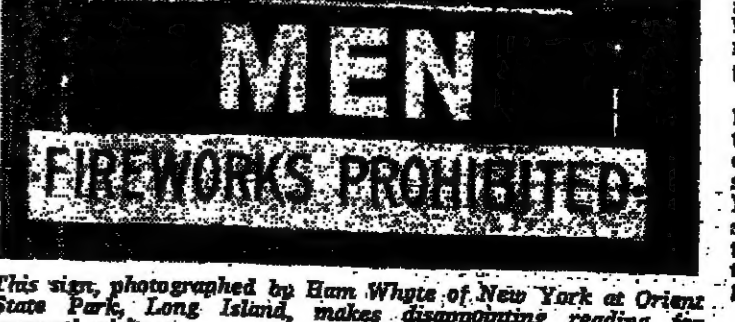
### Being seen

New Yorkers enjoy the public side of the city's literary life with its competitive and vicious in-fighting. The latest event to have received attention concerns the rival claims of two restaurants to be the place the literary elite frequents.

The protagonists are Elaine's and Nicola's, two restaurants of much the same appearance only a few blocks apart on the

Upper East Side. In Elaine's, named after Elaine Kaufman, has contested sway, in a restaurant named after Halberstam and G (fashionable) report Marlon Brando (fashionable) But since opened a couple of ago its primacy is threatened. Habitués of both are reduced to dull, author tells of ruin some friends on Nico eating at Elaine's an that they were ma opposite journey. "swore we'd keep it rer," he said.

A New York editor that the phenomenon result of the "celebrity of literary life. Si advent of the New Jo he says, writers have more important than ple they write about. It's no coincidence that," he says. "They fail not by what t serve but by who got in that milieu if you seen by people at a re the restaurant ceases t interesting. One or the going to lose out."



This sign, photographed by Ham Whig of New York at Orient State Park, Long Island, makes disappointing reading for energetic visitors.





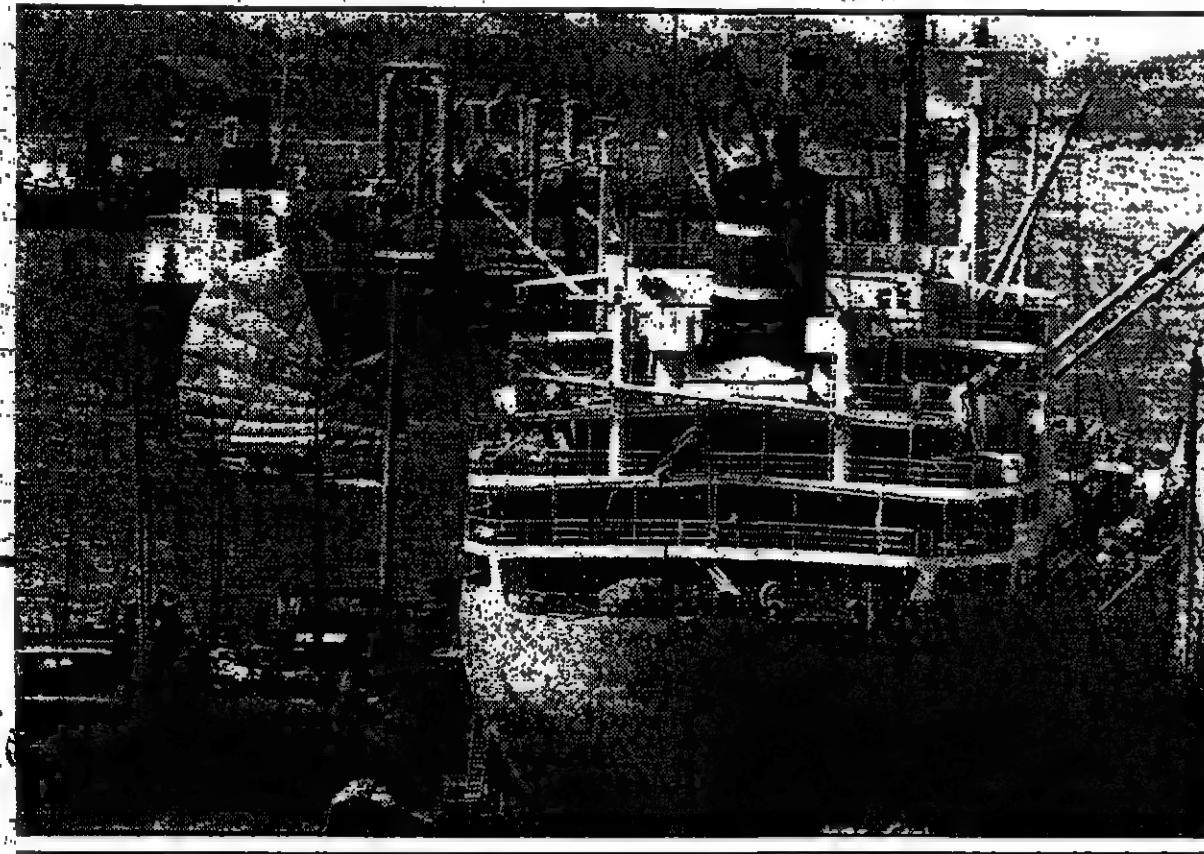
# Hongkong

## Seeking to multiply investment in year of the Hare

Hard Hughes  
ong now appears to have escaped from the world crisis. Despite wide-spread unemployment (probably about 200,000) and reduced working hours in 1974, Hongkong suffered no strikes or even serious union protests or pay-rise demands. The official communist press and the party establishment angrily denounced militant Chinese students and local extreme leftists who tried vainly to provoke labour disturbances and even demonstrations. They were branded as Trotskyites. And the leftist Federation of Trade Unions organized its own internal system of shared labour, voluntary part-time rotation and hard work.

Technical training for young workers is being systematically expanded. More than 4,000 students will be trained full-time and 12,000 part-time in the new polytechnic. There is an existing glut of raw materials, with lowered prices for continuing basic imports like building material. More advanced equipment is arriving at lower prices. More office and industrial space is available at cheaper rents and land prices have been reduced, offering wider opportunity for essential diversification. Corporation profits tax remains at 16 per cent, subject to allowances and deductions, compared with up to 50 per cent elsewhere. Artificial incentives remain

on the black list. The foreign investor can leave when he likes. Already more than 250 foreign-affiliated firms operate in Hongkong, employing 65,000 workers and providing more than 10 per cent of Hongkong's exports. "Multinational" like "profits" has never been a dirty word in Hongkong. The continuing, well-organized drive for foreign investment has already been directed to Britain, Australia, Germany, Denmark, Canada and the United States. There will be another special foray into the United States and an approach to Japan next year. The textile agreement with the European Economic Community has been welcomed despite restrictions. Hongkong likes "guaranteed agreements", even if limited, because the quotas will be fully met and the EEC compromise offers annual growth bonuses.



One dirty word which has embarrassed Hongkong is "corruption". Corruption has always been a way of life in Asia, and old hands, who have lived in Tokyo, pre-Marcos Manila, Bangkok, Kuala Lumpur, Rangoon and Indonesia, know how the old "tea-money" tradition seeps into normal business and police operations—sometimes discreet and gentlemanly, but always sought, offered and accepted. Alas, there is evidence that the ancient eastern ailment still defies Maoist teaching and persists. True, the depth and extent of police corruption in Hongkong, recently uncovered, surprised even the cynics, but the situation is now in hand. The new Independent Commission against Corruption has a strong staff and a formidable chief, Mr. Jack Carter, and its long-range activities continue to spread. In any event, the payoff in Hongkong seldom affected big business but only crime and punishment. Foreign investors need not budget for this working expense in Hongkong any more than they now need to do in straightened Singapore.

Hongkong survives only because it suits and serves China. Today, foreign investors may rest assured, relations between the anachronistic Opium War survival and liberated, Maoist-Marxist, anti-colonial and anti-imperialist Peking have never been closer, more cordial or more mutually rewarding.

### Survives because it suits China

Hongkong provides up to 40 per cent of China's foreign exchange earnings, and is Peking's principal contact with the outside world. China, with its huge and still proliferating population, which may reach a thousand million within 30 years, must change from a peasant-farming to an industrial society. Unless it can industrialize, it is unlikely to have an economy able to support so many people. The only way it can industrialize is to buy technology from the United States, Japan and Europe. The best way to marshal this money is to use the services of capitalists without letting them live in China with their dangerously bourgeois ideas: in other words, to keep Hongkong the way it is. "Unfolding before us in Hongkong," the old China hand and author, Chang Kuo-shin, sagely observed, "is the strange phenomenon of what I would call commercialized communism. . . . Outside China, Peking assumes the posture and reality of a hard-boiled and seasoned capitalist. It has learnt all the capitalistic gimmicks in sales promotion, advertising, hire purchases, exhibitions and so on. It has mastered the art of watching market trends and adjusting prices on the basis of supply and demand." In Hongkong, this "commercialized communism" has produced that unique political system, the millionaire communist. Mr. K. C. Wong, chairman of the communist-dominated Chinese Chamber of Commerce in Hongkong, is a notable example. He has interests in shipping, department stores and an expensive Kowloon restaurant. His family lives in Canada, while he is a member of the National People's Congress. In a partitioned penthouse flat, Mr. Li Chou-shia, who wears a modest Mao-jacket as manager of the collection of China's foreign exchange income—direct trade,

as well as remittances from overseas Chinese. Communist trading and financial operations are intertwined with Hongkong governmental and capitalist practice. The Peking Government operates more than 50 department stores, eight smaller banks, two insurance companies, three financial syndicates and a number of shoe stores, publishing houses and restaurants. An old sign stands proudly above the front window of the leading Chinese emporium in Hongkong. It is written in English: "mutual profit". But everyone knows that the tenure of the running lease will never be determined by a foreign-devil manager, but by a Peking chairman.

Peking's premier trading agency is the China Resources Corporation, which has quietly set an historic precedent by technically "buying" Chinese land inside Hongkong. Peking will "own, control and operate" two pieces of Chinese territory on a long-term basis: a section of the railway yard at Shatin station in the New Territories for a spur railway line, a storage depot, and a section of Tsing-yi island for construction of an oil storage base. This operation is designed to facilitate China's vital expansion of oil exports to Hongkong. China's oil exports to Hongkong for the first four months of 1975 have totalled nearly 116,000 tons, worth \$845.5m, compared with 236,000 tons and \$810.3m for the whole of 1974.

China now sends oil to the colony at the rate of 16 rail deliveries a month compared with only four a month last year and plans daily rail shipments. There have been serious if implausible suggestions by old hands that Hongkong's new airport should be built on the border for joint use by Chinese and international airlines. A new pipeline for possible duplicated Chinese water supplies to Hongkong is being built—ironically, according to returning Chinese visitors, with the voluntary help of conscripted labour by "freedom-swimmers" from the mainland whom Hongkong, with a proud Kowloon in the present mood of détente, now forcibly repatriates to China.

The British military presence—now a 10,250-strong garrison—becomes increasingly symbolic. When cut by possibly a third, leaving only Gurkhas, it will be concerned only with possible internal security issues. The Hongkong establishment—backed by the local party establishment—is angry over the expected demand by Whitehall that Hongkong should double its current contribution to the force of \$8K90m.

## State role to stay out of industry

by John Greenwood

"No great achievement is possible without persistent work." Although in the pre-war era when he wrote this dictum Bertrand Russell was far from being persuaded of the virtues of free markets, undoubtedly he would have been impressed by the evidence of Hongkong's economic achievement over the past two decades.

That achievement has been all the more remarkable because it has been accomplished largely by the persistent pursuit of a set of principles which have today been almost entirely set aside in Britain, the country where they were first affirmed in the eighteenth century.

Hongkong's economic success, according to Mr. David Jordan, Director of Commerce and Industry in the Hongkong Government, is based on dedication to free trade and fair competition, a hard-working and versatile labour force and the minimum of bureaucratic interference with business activity. "You do not have to get permission from anyone to start doing business in Hongkong."

The government believes that its role in industrial development is to provide the basic infrastructure in which businessmen can make their own decisions, unimpeded by government controls, regulations and restrictions. Hongkong believes and is evidence that the private entrepreneur knows better than government officials what is best for him and his business. Against this background Hongkong does not need to offer the potential investor tax holidays, subsidies, protective import duties or any other concessions that can be taken away as easily as they are granted. However, it does offer everyone, both resident and non-resident, the advantages of low taxes, freedom from import or export duties and freedom to remit capital and profits in or out. In its booklet, *Industrial Investment*, the Trade Development Council lists 10 attractions of Hongkong as a

base for foreign companies. Among them, only its strategic economic location in the rapidly growing economies of South-east Asia, close to Japan and within easy access of the major shipping routes of the region, and its adaptable and hard-working labour force of more than 600,000, may be said to be by good fortune rather than by design. For the rest, the principles remarked on by Mr. Jordan must take due credit.

The free enterprise environment, the establishment of an industrial economy, an efficient public service system, well-developed supporting industries and high-quality management are all indirect results of this application.

On a day-to-day level a fiscally prudent government maintains a low rate of taxation and stable currency with substantial reserves. The colony's public service operates with a minimum of red tape, and senior government officials are dedicated to maintaining this state of affairs. There is a marked reluctance to engage in expensive, bureaucratically-run social or economic experiments.

Because of this philosophy there are scarcely any restrictions on the products any company, local or foreign, may manufacture. There is no distinction drawn between local and overseas companies and no special favours are granted.

### Only exceptions in banking

The only exceptions are in banking, where no new licences have been granted since 1973, and an apparent tendency in some Government circles for attracting manufacturing companies in preference to other businesses. At the end of 1973, in manufacturing alone there were 221 factories in Hongkong either fully or partly owned by overseas interests. These employed a total labour force of about 65,000 or 11 per cent of total employment in the manufacturing industry, the main sources of the \$270m foreign investment in manufacturing being the United States, Japan, Britain, Thailand, Singapore and Australia. The five largest areas of foreign investment were clocks and watches, chemical products, toys, food manufactures and electrical goods.

To overcome the problems of lack of suitable sites, in recent years the Government has undertaken extensive site formation, including reclamation from the sea. To cope with the increasing population, now about

4,200,000, and to provide the land for rapidly expanding manufacturing industries, industrial zones have been designated, the land generally being leased by the Crown to the highest bidders. Following traditional policy, there is no discrimination against overseas nationals holding title to the land. Overseas investors can buy the leases of industrial land on which to build their own plants.

An industrial township, the Tsuen Wan-Kwai Chung complex, produces a wide range of consumer goods and light industrial products. Within a few years the population in this area, living mainly in government and government-subsidized housing, will be no fewer than 1,400,000, providing a readily available workforce. In Tsing Yi, an industrial zone, land is set aside for medium to heavy industries, including cement, shipping container fabrication, corrugated paper products and ship repair facilities provided by a floating dry dock.

For the United Kingdom portfolio investor it is a sad fact that almost every obstacle to investment in Hongkong is imposed by the United Kingdom authorities. The colony has no exchange control restrictions on movement of funds in and out, and no taxes are imposed on capital gains. The accumulation of financial assets through thrift is in no way discouraged by penal taxes, but the Commissioner of Banking and the Securities Commissioner supervise the practices and soundness of the financial community. Despite the dramatic decline in the stock market very few significant local brokerage houses went out of business, and not one financial institution went to the wall.

The attitude of the Government towards foreign portfolio or direct investors may be said to be identical to its treatment of its own residents. While recognizing that the colony's overall industrial development profits from the presence of overseas companies, the Government is anxious to ensure that foreigners too should profit from the healthy, vigorous and competitive environment.

The author is economist at G.T. Management (Asia).

This is the eleventh in a series of Special Reports on investment and development centres of the world. Johannesburg, the next report will appear on August 26. The series will be republished as a booklet available from the Marketing Department. The Times, price £2.

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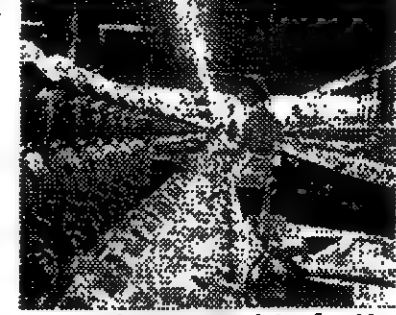
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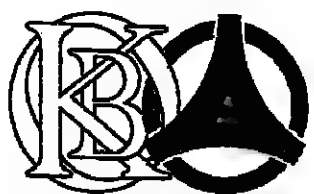
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Direct investment: manufacturing

**Determined workers the keystone of busy trading centre**

by Bruce Maxwell

By Asian standards Hong Kong enjoys a high standard of living, although wage levels fall substantially below rates paid for comparable jobs in more industrialized countries.

To an employer thinking of establishing an Asian branch or factory this presents a dilemma. When reviewing labour requirements, should he take advantage of the lower pay scales in force elsewhere in the region; or should he opt for the technical skills, flexibility and sheer determination of Hong Kong's workforce?

South Korea, Taiwan, the Philippines, Indonesia, Singapore, Malaysia and Thailand have worked aggressively to attract investment to their areas recently. And different employers have chosen one or other methods of solving the labour problem. Success is reported on both sides.

However, it is becoming clear to most overseas industrialists that workers in different Asian countries have developed distinct characteristics and can no longer be counted simply by head numbers or the size of salary packages.

The average Hong Kong worker is probably the most industrious of all. The colony's spectacular transformation from an entrepôt port to a bustling manufacturing, banking, shipping and trading centre can be largely

attributed to his endeavours. His aim is to make money—as much of it as possible. Happily he chooses to work hard and skilfully in the best interests of his employer to achieve his goal.

In times of crisis, however, the worker philosophically tightens his belt and makes the best of it, actually assisting an employer to ride out a lean period. Or if an industry has collapsed entirely—say the wig trade—he will reemerge the following day as a shipping clerk or taxi driver or barman.

A strike simply means money lost to both sides. He would need to be presented with an overwhelming argument before contemplating industrial action. To illustrate the point, between 1969 and 1973 an average of 32 working days a year were lost per 1,000 employees in Hong Kong. Contrast this figure—as did a recent Hong Kong American Chamber of Commerce report, with Canada, 1,722; the United States, 1,372; Britain, 1,036; Japan, 238; Sweden, 62. It is clear that the colony has one of the world's lowest rates of strikes and work stoppages.

A comprehensive investigation of the subject was published in May by the Hong Kong-based journal, *Business Asia*. This compared the colony's fourth Asia-Pacific Compensation Survey (APCS), examined wages, allowances, fringe benefits and compen-

sation policies in 12 regional countries.

It covers 73 job categories from general managers to waitresses, such matters as expatriates' split salaries, companies' currency realignment policies, as well as sick leave, severance pay and company product discounts.

A précis of APCS looks at five selected occupations—mechanical engineer, senior or executive secretary, technical salesman, skilled worker and truck driver. Using Hong Kong as the base 100 units in making a pay comparison, it becomes evident that colony wages rank third highest among the countries reviewed, in a neck-and-neck tussle with Singapore for the place. Both are rated outstandingly by Australia and Japan.

**Anomalies in pay**

Anomalies are also apparent. For example, a mechanical engineer in Singapore receives almost double the pay package of his Hong Kong counterpart. Even in Indonesia, which has one of the region's lowest per capita incomes, the same job commands more money than in Hong Kong, presumably because of the influx of oil men there.

Skilled workers too command higher wages in Singa-

pore than in the colony, while the average end of the scale in the Philippines and Thailand, with occasional competition from South Korea and Taiwan, vie for the cheapest slots.

According to APCS, a mechanical engineer in Hong Kong takes home about £250 a month, including regular bonuses. The executive secretary manages slightly more. The technical salesman earns £171, a truck driver £118 and a skilled worker £95. Among companies surveyed in the region, only 15 per cent took labour unions into account when reviewing salaries.

The Hong Kong Government's own view of the situation, contained in a special report on Hong Kong manufacturing companies which have an overseas equity content, was that the highest monthly paid local employees in December 1974 were those in the building and construction materials industry (£137), followed by those in chemical products (£125) and printing (£114).

Leather and metalware workers were lowest (£58), below employees in electrical products (£63) and plastics (£64). The survey covers only the manufacturing sector, however, not exclusively Hong Kong-owned.

In the same context employees of hair products factories had seen their wages rise by 36 per cent compared with December, 1973, while

those in clothing were up 20 per cent, chemical products 13 per cent, metalware products 18 per cent and footwear 15 per cent; albeit all from a low base.

Wages in the food/beverage, plastics and leather industries recorded decreases ranging from 9 to 18 per cent. Census and statistics department figures for March 1975 show overall manufacturing employment falling off, especially among cottage industries with fewer than 10 workers.

The same department, in a separate document on wages, says that the average wage of an industrial worker in March including fringe benefits was \$220 a day. Looking at 26 manufacturing

concerns, seven public utilities and three service industries, it recorded scales almost down to £1 a day for apprentice cotton spinners. In terms of purchasing power, only workers in the utilities, services and dockyards seemed to be improving their lot, while most of the remainder showed a decrease.

Altogether the colony has 283 unions with a total membership of 295,735 or slightly more than a fifth of the workforce. Of these unions, 70 per cent are regarded as being left wing, although this is open to doubt. A further 15 per cent are classified as being right wing, the rest in between. In practice almost every one of them urges

members to modernize industry. Many concede providing members and social functions. Disputes are dealt by the Government's Relations Service legally is rather a rigid, but against has still achieved its principal role. A deadlock to a separate labour which has the same as a district court, its decision creates precedents. are generally held days and often with night of a complaint lodged, and no intervention is allowed.

Country pay comparison for five selected occupations

(Mean monthly salary in \$US\* Index (in brackets) with Hong Kong = 100)

	Mechanical Engineer	Senior or Executive Secretary	Technical Salesman	Skilled Worker
Australia	1,098 (216)	847 (152)	1,138 (222)	779 (148)
Hong Kong	508 (100)	559 (100)	543 (100)	181 (100)
India	126 (25)	132 (24)	74 (14)	71 (37)
Indonesia	521 (102)	332 (59)	230 (42)	84 (44)
Japan	886 (174)	690 (123)	774 (142)	691 (380)
Korea	187 (37)	352 (63)	238 (43)	152 (80)
Malaysia	458 (90)	365 (65)	365 (65)	139 (73)
Philippines	208 (41)	163 (29)	146 (27)	73 (39)
Singapore	984 (195)	408 (73)	313 (57)	208 (108)
Taiwan	233 (46)	288 (52)	241 (44)	131 (68)
Thailand	392 (77)	365 (65)	244 (44)	57 (30)
S. Vietnam	230 (45)	251 (45)	226 (41)	109 (57)

\* Bonuses have been included in the above figures if they are of a regular kind, as in Source: Business Asia.

**Big advantages for Britons in joint ventures**

The prevalent attitude among British businessmen to industrial investment in Hong Kong is rather like that of parents to a child who has grown up—everyone else can see it, but the parents are the last to notice.

That comment comes from Mr Roy Porter, an Acting Deputy Director of the colony's Commerce and Industry Department, who recently returned from Britain after a series of seminars and individual discussions aimed at extolling Hong Kong's virtues as a manufacturing base.

He made the comparison when talking about British interest in relation to the demonstrable enthusiasm of others, notably the United States and Japan, both of which have snapped up many opportunities over the last 10 years and now far outrank British industrial participation.

On paper at least, even Thailand, aided largely by the setting up of a stable watch component plant in Hong Kong, has managed to a

rudge Britain into fourth place this year. The term "on paper" is used because Hong Kong's statistics can be a little illusory, and anyone who has followed the colony's remarkable growth would be justified in asking what has happened to all those British hotels or trading houses that were so involved with Hong Kong from the original colonisation.

The answer is that they have widely diversified their activities and for the most part continue to add to enviable profit records, but nowadays they are regarded, in Hong Kong, as essentially Hong Kong companies and as such do not appear in tables tracing later investment.

Mr Porter's latest exercise was carried out in conjunction with the Confederation of British Industry. Hong Kong had suggested a seminar series in Britain roughly entitled *Asian Investment—the alternatives*, with representatives from Singapore, Malaysia also taking part.

The CBI sent out 11,000 invitations, which produced a response from only 50

British firms. In addition, the Hong Kong Government itself contacted 500 concerns individually. Looking back at the result, Mr Porter describes it as being "indicative of the present approach of British industry although, from the ranks of the small number who responded a group has emerged showing strong interest in Hong Kong investment over the next two years.

Representatives of those companies are to visit Hong Kong, most before October, to discuss the many joint ventures and plants which will take a year or two to materialize, but a handful could be in production by December. All cases involve an investment of less than \$1m.

What will the businessmen find in Hong Kong as they consider joining earlier arrivals like Yee and Thorn, Reason and Chubb? The range extends from minority equity interests in garment factories, usually kept quiet for political rather than quality reasons, to the subsidiary activities of operations such as those of British Oxygenc, British American Tobacco.

The latest government manufacturing survey, completed in late July and dealing with the year ended December, 1974, shows Britain with 8.2 per cent of total overseas investment in Hong Kong (United States 50 per cent, Japan 15.6 per cent). But whereas the Americans and Japanese prefer wholly owned subsidiaries, Britain's small \$12.8m was spread principally in the joint venture area (the survey covered 236 overseas equity companies which divided equally into 118 subsidiaries and 118 joint ventures).

**Attitude popular with Chinese**

The Government's figures do not quite tally with those of other commercial and industrial organizations in Hong Kong and doubtless British investment is rather higher than the bald statistics indicate. However, British preoccupation with joint ventures is not in dispute, and that attitude is popular among local Chinese businessmen.

The latter have a marked dislike of purely licensing agreements, feeling understandably, that if a project is worth undertaking then the principal should likewise be keen to reap direct dividends from the manufacturing process. That decided, a representative of a British company wishing to set up in Hong Kong faces very few restrictions and many distinct advantages.

In common with existing British firms which have an industrial base in the colony, equity participation could be anything from 5 per cent to 100 per cent. Unlike most developing countries—Hong Kong's competitors in attracting overseas industry—there are no ground rules on who becomes the major or minor partner.

Taking two local companies as examples, Integrated Electronics is an equal joint venture between British and American interests, and Delta Electronics a British-Swiss combine. So the businessmen can decide on partners and relative shareholdings as appears suitable without Government interference. Most joint ventures naturally are formed with Chinese business interests.

Capital also is not a major difficulty. Hong Kong's desire is to broaden its industrial base, and not necessarily to go out, cap in hand, looking for capital investment per se. Loan financing is probably

easier in the colony itself: in July the prime rate stood at 6½ per cent.

To that add low-cost labour, a virtual absence of strikes, a levelling in the rate of inflation, excellent communication and transport facilities plus the often overlooked fact that Hong Kong is a free port with no exchange controls, and any projection to use the colony as a geographically competitive manufacturing base begins to look decidedly attractive.

The Government is particularly aware of the sensitive issues that can arise from the employment of lower paid workers by local companies in industrialized countries, but is not daunted by them. The official line is simply that a Hong Kong plant acts as an adjunct of the home endeavour, making the latter more stable and financially viable.

**Commitment to profit**

In that context it is pointed out too that profits accrued in Hong Kong are absolutely free to be reinvested in the home country or anywhere else for that matter.

Basically the Government's approach is to leave business to be run by the businessmen. It used to be called a laissez faire policy, but recently somebody has decided that it should more accurately be termed a "commitment to the profit motive". The reason cited for the change is that Government does play a highly active role in providing services and lends heavy financial support to a host of institutions set up to assist the industrialist in numerous areas.

A further important consideration which has tempted American and Japanese firms into the fold is profits tax, which has recently been increased to 16½ per cent. However, the administration are at pains to emphasize that this second rise in 30 years is the result of exceptional circumstances, and that a return to the formerly prevailing 15 per cent level is being mooted.

According to the survey of 236 manufacturing establishments which are subsidiaries or joint ventures involving overseas concerns, most of Britain's existing investments are not in major Hong Kong industries. The largest British interest in the leading categories is in the manufacture of chemical products.

The trend appears to be changing. Inquiries following the last Hong Kong Government sortie to Britain have so far concentrated on the electronics and engineering fields, with electronics now playing a vital role in the Hong Kong economy. Diversification is still apparent, though, as is evident from other approaches by companies concerned with die casting, machine tool products, printing, metal cutting tools, stainless steel, fabrics, thermoplastic and pneumatic equipment. Generally these are derivatives of the colony's existing industrial core.

Of the 236 establishments surveyed, 91 reported that they had expanded their activities in 1974-75 in Hong Kong, 11 in other areas (Taiwan four, Malaysia four, Singapore two, Thailand one), and 10 both in Hong Kong and other areas in Asia.

This year (the survey was conducted in February-March), 57 planned to diversify—41 within Hong Kong and eight both in Hong Kong and elsewhere. The remainder said they would consider other regions in Asia such as the Philippines, Malaysia and Taiwan.



**Planning for Hong Kong's future**

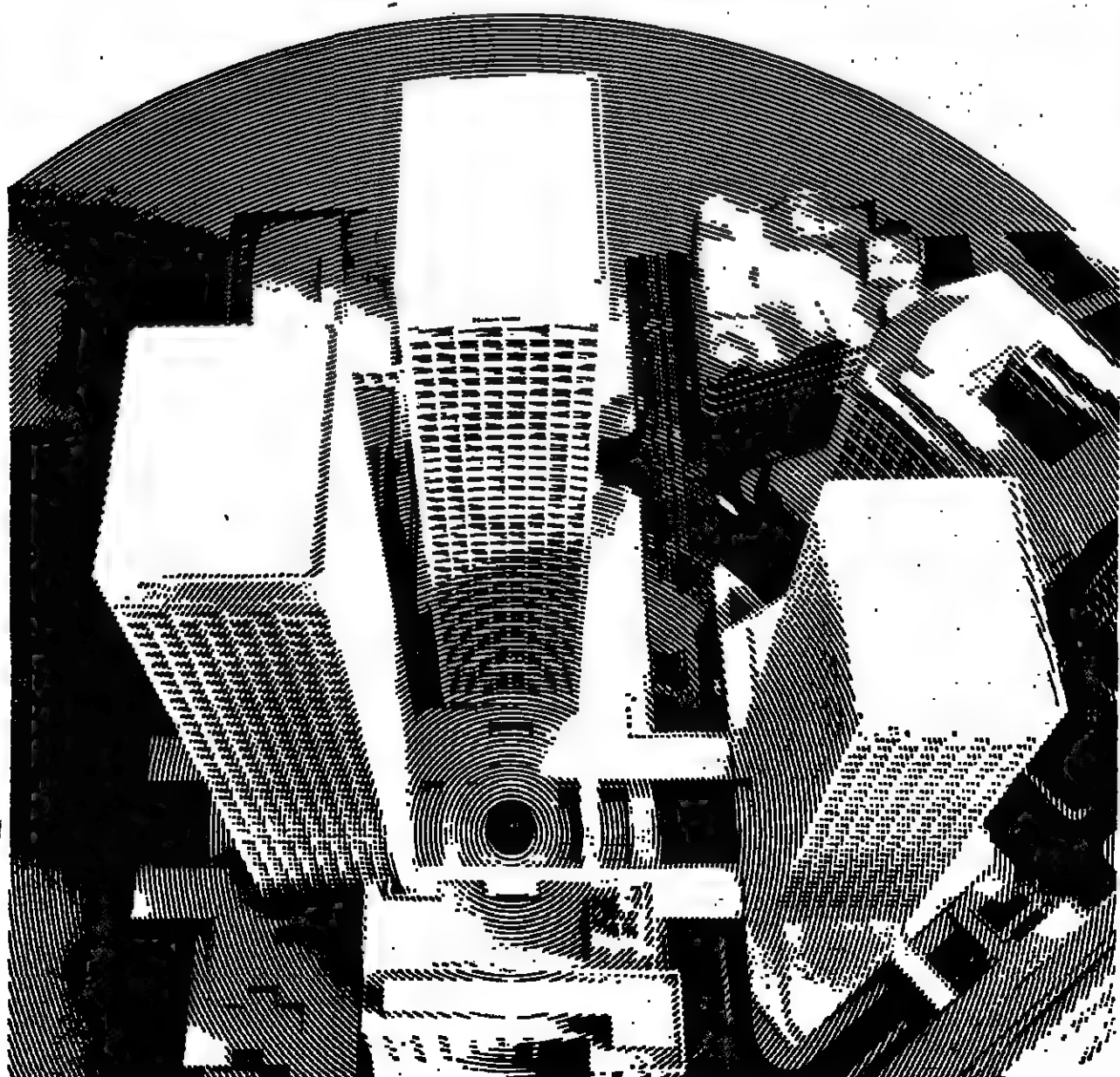
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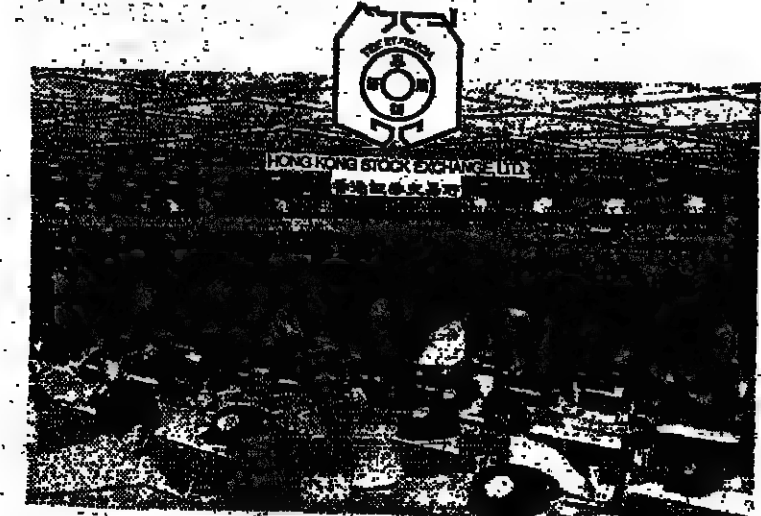
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Winner Company (Hong Kong) Limited	Cotton & Man-Made Fibre Weaving & Garment Making
South China Bleaching & Dyeing Factory Limited	Cotton & Man-Made Fibre Fabric Finishing
Pacific Dyeing Works Limited	Cotton & Man-Made Fibre Fabric Finishing
San's Clothing Factory Limited	Garment Making
Park Garments Limited	Garment Making
Soco Knitters (Hong Kong) Limited	Wool & Man-Made Fibre Knitting
Fabutex Limited	Textile Trade
Hilwin Holdings Limited	Wool & Man-Made Fibre Manufacture
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## Focus

Research by Susan Morgan

### Visible trade, 1969-1974

	1969	1970	Twelve months: 1971	1972	1973	1974	First nine months: 1972	1973	1974
Domestic exports	10,518	12,347	13,750	15,245	19,474	22,912	11,201	13,880	17,745
Reexports	2,579	2,892	3,414	4,154	6,525	7,124	2,954	4,503	5,510
Total exports	13,097	15,239	17,164	19,399	25,999	30,036	14,155	18,383	23,255
Imports	14,893	17,607	20,256	21,764	26,005	34,120	15,968	19,896	26,551
Trade deficit	1,896	2,368	3,092	2,365	3,006	4,084	1,813	1,513	3,296

### Government sources

### Domestic exports by selected commodity and commodity group, 1969-74

	1969	1970	Twelve months: 1971	1972	1973	1974	First nine months: 1972	1973	1974
Clothing	3,623	4,337	5,464	6,113	7,454	8,622	5,387	6,861	8,661
Textiles	1,126	1,277	1,398	1,552	2,352	2,114	1,487	2,217	2,217
Plastic toys and dolls	771	872	1,031	1,133	1,318	826	985	1,184	1,184
Artificial flowers	356	416	354	418	479	312	358	294	294
Transistorized radios	472	549	712	919	1,148	648	818	1,007	1,007
Electronic components	260	434	510	555	787	398	542	653	653
Manufacturers of metal	292	345	345	415	521	303	382	493	493
Jewelry and goldsmiths' wares	132	184	217	262	422	178	287	364	364
Travel goods, handbags	143	175	228	302	405	209	298	342	342
Watches and clocks	108	135	175	202	293	147	193	364	364
Footwear	295	302	351	304	266	234	185	223	223
Hats	647	937	827	224	104	183	90	35	35

(A)	9,440	9,963	11,312	12,399	15,549	9,173	10,971	13,847	13,847
Total domestic exports (B)	10,518	12,347	13,750	15,245	19,474	11,201	13,880	17,745	17,745

(A) as a percentage of (B)	80.2	80.7	82.3	81.3	79.8	81.9	80.2	78.0	78.0
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### Government sources

### Domestic exports to Hongkong's seven largest markets, 1969-1974

	1969	1970	Twelve months: 1971	1972	1973	1974	First nine months: 1972	1973	1974
United States	4,428	5,190	5,708	6,125	6,825	4,527	4,998	5,907	5,907
United Kingdom	1,465	1,481	1,946	2,195	2,814	1,586	1,896	2,140	2,140
West Germany	765	985	1,128	1,525	1,902	1,161	1,386	1,778	1,778
Australia	286	359	402	445	771	326	482	1,024	1,024
Japan	355	492	454	480	1,065	335	723	821	821
Singapore	228	280	332	350	536	239	367	473	473
Canada	352	368	484	501	512	389	383	472	472

(A)	7,879	9,176	10,484	11,821	14,425	8,563	10,236	12,615	12,615
Domestic exports to all countries (B)	10,518	12,347	13,750	15,245	19,474	11,201	13,880	17,745	17,745

(A) as a percentage of (B)	74.9	74.3	76.2	78.2	74.1	76.4	74.8	71.1	71.1
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### Training

The majority of the skilled and semi-skilled labour in up on 1972 figures. In March, 1974, the enrolment in technical and vocational schools offering courses leading to a certificate of education was 11,240.

The grand total of enrolment in technical and vocational courses of all types in March, 1974 was 58,101. Full and part-time students being trained as technical teachers and workshop instructors was 145 in March, 1974.

Education at technician level is provided both by the polytechnic and to a lesser degree by the Morrison Hill Technical Institute. Craft level technical education is provided only by the Morrison Hill Technical Institute. Management courses for different grades of managerial staff are run by the university, the polytechnic, the Hongkong Productivity Centre and the Hongkong Management Association.

A permanent Hongkong Training Council was set up in 1973. Its aim is to gear a system of training to the industrial, commercial and service sectors of Hongkong's economy. Five committees work under the training council, each made up of members from employers' associations, educational authorities and government departments.

In addition to the Morrison Hill Technical Institute, two further technical institutes have been built at Kwai Chung and Kwo Tsang. A further two are expected to be built by 1976 and 1977. The Hongkong Technical Teachers' College has been in operation since 1973.

The total number of registered apprentices attending various part-time day-release courses in all trades was 1,300 at the beginning of the

### Establishments and employment in manufacturing industry by establishment size group

Size group (number of employees)	Aug 1971		Dec 1973		Aug 1971		Dec 1973	
	Number	% of total	Number	% of total	Number	% of total	Number	% of total
1-9	16,391	82.7	18,414	95.8	77,709	11.6	75,628	11.6
10-19	4,520	17.3	4,450	15.9	59,796	8.9	60,085	8.9
20-49	2,854	10.9	2,826	10.1	87,110	13.0	88,124	13.0
50-99	1,228	4.7	1,251	4.5	84,383	12.6	86,784	12.6
100-499	1,007	3.9	999	3.6	201,474	30.0	192,340	30.0
500-999	91	0.3	89	0.3	80,106	9.0	82,114	9.0
1,000 and over	58	0.2	39	0.1	100,730	15.0	61,317	9.0

### Government sources

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### Shipping

Container ships began to arrive in Hongkong late in 1972 after the opening of the Kwai Chung container terminals in September. Within a year about 70 per cent of Hongkong's cargo for the United Kingdom and the north Continent was moved in containers; this proportion has now risen to 80-90 per cent. The ships carry about 2,000 containers on each trip.

Huge container freight sections were provided at Hongkong, where small ships' exports could be consolidated into full container loads. Thus, large European importers can buy from many small suppliers in Hongkong and still receive in full container loads (quantities). More than half of Hongkong's exports arrive at their destination in this way.

Hongkong traffic to Europe (including Europe, the Mediterranean and North Africa, but excluding the Gulf of Aden and the Red Sea)	1972 1,300,000 metric tons
1973 1,500,000 "	
1974 1,300,000 "	
European traffic to Hongkong	1972 800,000 metric tons
1973 1,000,000 "	
1974 900,000 "	
Average of containerized cargo	Westbound 80-90 per cent
Eastbound 70-80 "	

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# Focus

## General

is situated off the coast of China, the province of Guangdong, just east of the river estuary. The area of the colony is 17 sq miles. It is almost entirely landlocked, and can accommodate ships drawing up to 11 metres. Much of the New Territories is mountainous and sparsely populated but flat (4 sq miles) and the land in the west and north is used for intensive cultivation of market garden crops and rice as well as pig and poultry farming. Hong Kong has only 50 sq miles of agricultural land so all agricultural produce is imported. The sea and the Victoria Harbour, although fishing is important, reaches a height of 18 metres. Hong Kong's greatest natural asset is its three most perfect natural harbours in the world. The New Territories have been leased by China to Britain until 1997. Hong Kong island was ceded in 1842 and Kowloon peninsula in 1860. The phenomenal population growth rate of Hong Kong has been swelled by an influx of Chinese from the mainland (many come illegally) as well as by natural population increase. The census of June 1973, estimated the population at 4,159,900. This is more than double the 1949 population figure of 1,850,000.

## EMPLOYMENT IN 1971

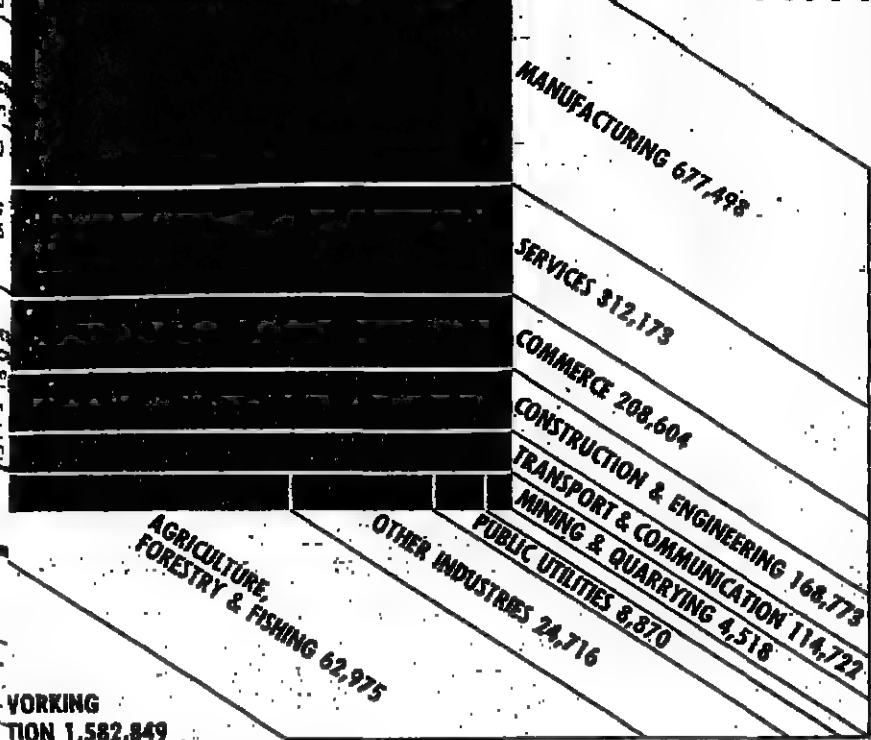


Table with 4 columns: At current market prices, At constant (1986) market prices, Total gdp, Per capita gdp. Rows show data for 1970, 1971, 1972, 1973, 1974.

Table with 4 columns: Industry, Investment (excl HK interest), No of establishments, No of employees. Rows include various industries like textiles, electronics, etc.

number of establishments should be 250. The discrepancy reflects the facts that companies are joint ventures involving more than one overseas interest.

## More inter-Asia container services expected to run

alongside, is operated by Modern Terminals. This is a consortium headed by the Trio line whose other shareholders are the Hongkong and Shanghai Banking Corporation, the Kaohsiung private interest, the Swiss Group and Hutchison International. Modern Terminals' managing director, Mr Derek Lygo, a Briton, is the most vocal spokesman for rapid container expansion. He reports that the berth is doing "cracking business" and makes no secret of his ambition to get more space at Kwai Chung. Berth number two is rumoured to be up for sale and is the centre of all manner of speculation and intrigue. Number two is operated by Kowloon Container Wharves, a private Japanese venture controlled by Mr T. Oyama, whose shipping group recently petitioned in Tokyo courts for protection against its creditors and has a question mark hanging over its 221,000-ton fleet of 34 ships. Berth number three is owned and operated by the Sealand group, which keeps its own counsel to a large degree. Next door a 43-acre site is under construction which will become berth number four with its first 1,000-ft quay ready for vessels probably early in 1976. The owner, Hongkong International Terminals (HIT)—a joint venture between Hongkong and Whampoa Docks and China Provident—has also been allocated what will become berth number six. HIT's ambition is to coordinate the services offered by its associates North Point Wharves, Whampoa Terminals and Whampoa Transport, eventually offering customers a complete range of transport, consolidation and container handling possibly unrivalled in Asia. The HIT general manager, Mr John Meredith, has just reported that dredging of the approach channels to number four have been completed six months ahead of schedule and construction has started on the second 1,900-ft quay. He regards prospects as extremely promising and reports that traffic at HIT's existing conventional Hong Kong facility is the highest since operations started in 1969. Berth number five is also under construction and is expected to open by the middle of next year. MTL has a 51 per cent stake and the balance is held by the Hongkong and Whampoa Dock Co. Recently the Japanese SK Line signed a long-term agreement with Modern Terminals for the use of number five. SK Line, together with the Toyo Line, will be operating a direct Hong Kong-Japan fully containerized service, initially using three vessels offering a five-day service, starting on October 5. The hope is that over the next two years Japan will become fully containerized on the Hong Kong run. Other inter-Asia services, including those serving the Philippines, are expected to follow. Nobody is bold enough to suggest that Kwai Chung will reach full capacity on container trade until at least 1980, and there is no lack of skirmishing for business. One big prize being dangled before the container operators is what the local South China Morning Post described as the "ace in the hole". This is the final decision, due shortly from the newly created ACE consortium, on which berthing facilities around Asia it will use for its proposed pool container service from the region to Europe. The important consortium is made up of Franco-Belgium Services, comprising continued on next page

Table with 5 columns: 1969, 1970, 1971, 1972, 1973, 1974. Rows include Liabilities, Assets, and Ratios.

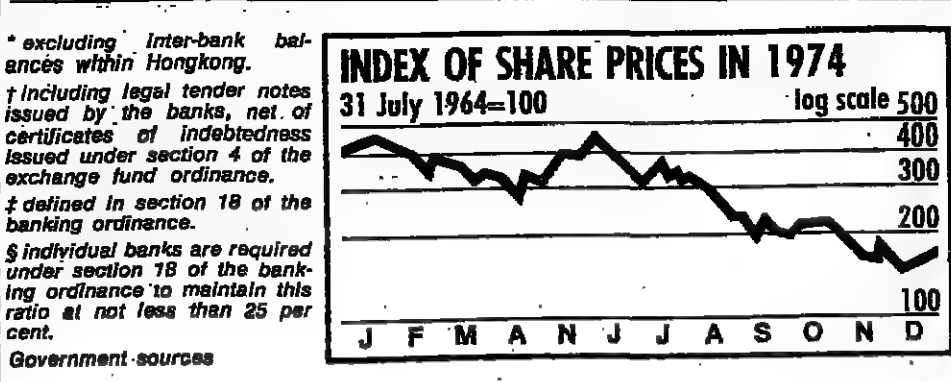
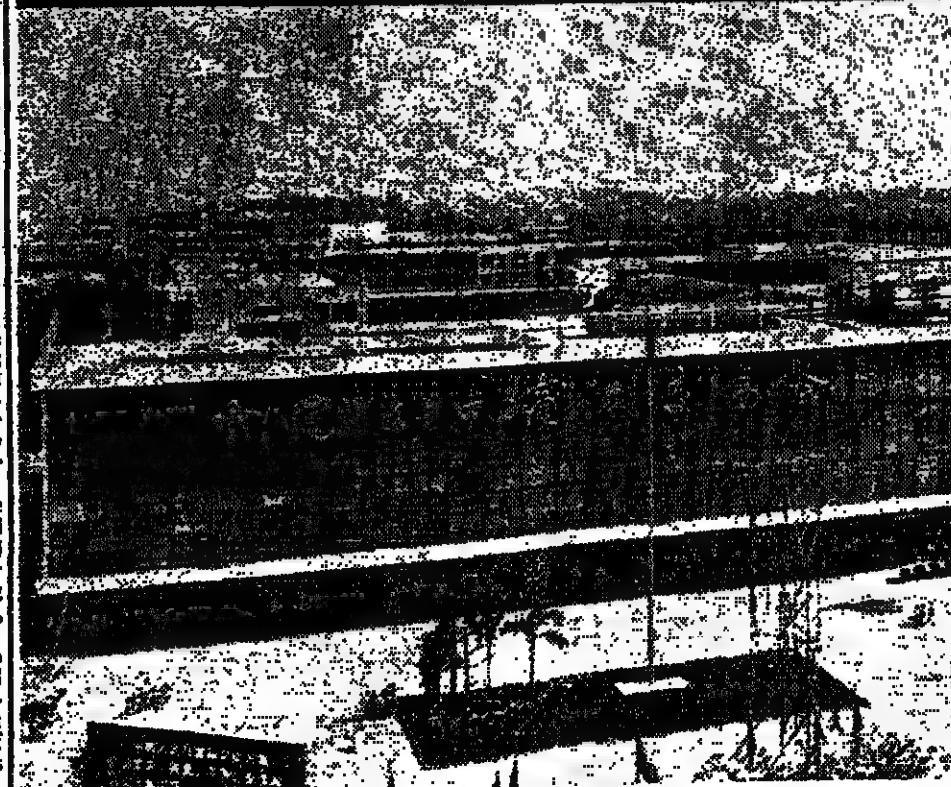


Table with 3 columns: Excess of assets over liabilities on March 31, Recurrent revenue, Recurrent expenditure. Rows show data for 1974 and 1975.

Table with 10 columns: 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979. Rows show general consumer price index for various months.

Table with 4 columns: Industry, Investment, No of establishments, No of employees. Rows include various industries.

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# Market with a reputation to live down

by Malcolm Surry

Mr Robert Valentine, the managing director of Rothschild's in Hongkong, recently observed of the local stock market: "A long-term investment in Hongkong is one which lasts over the weekend and is not interrupted by the need for funds at the race track."

The merchant banker's remark was undoubtedly made tongue-in-cheek, but it neatly illustrates a reputation that the colony's securities market must overcome if it is to take its rightful and hard-earned place as the key investment centre in the Pacific Basin—acknowledged by almost everyone as a potentially explosive growth area over the next 10 years.

The gyrations of local share prices are not so much history now but more of a legend, a tombstone to some and an inspiration to others who have seen just what can happen when a fledgling stock market is exposed to monetary mayhem on a scale seldom seen outside Australia's mineral-based frenzies.

The Hang Seng Index, which charts the performance of 33 leading stocks, hit a record of 1,770 in March, 1973, when daily turnover was running at the equivalent of £50m without the benefit of a gilt-edged market.

## Confidence in future

The fact that share prices collapsed, brought down by an avalanche of forced selling and then trampled on by the oil crisis and a world recession that should by rights have crippled a territory so dependent on trading is, curiously, almost irrelevant.

The framework of the market with its 1,000 stock-brokers and four stock exchanges survived an experience that would have shattered any of its bigger contemporaries.

Although few suggest that the market is geared for a boom on the proportions of the last one—bankers blast at the notion—there are strong grounds for believing that the future for equities can be faced with confidence.

United Kingdom institutional investors, who retired baffled but beaming with an estimated £200m in profits creamed off well before the market cracked, are standing on each other's shoulders peering over the dollar premium barrier wondering wistfully if the once-in-a-lifetime phenomenon could be repeated.

Having reached a nadir of 150 in January this year, the Hang Seng index now stands just over 300. At this level, the leaders offer an average yield of 4.4 per cent.

Announcing in the eyes of many in Hongkong, the market revival in the first quarter of the year, almost everything to London sentiment with Hongkong prices humiliated, led by the nose and the Hang Seng slavishly moving with the Financial Times index.

Any comparisons between the two markets must start with the knowledge of the Hongkong tax base. Company tax, although raised in the last budget, stands at only 16.5 per cent. Salary earners pay a ceiling of 15 per cent and nobody has seriously suggested the faintest possibility of a capital gains tax.

With consolidated accounts only just becoming fashionable now and not yet a legal requirement, seemingly stiff price/earnings yardsticks tell only part of the story.

An unexplained form of dividend tax has been mooted by Mr Philip Haddad-Cave, the colony's Financial Secretary, for inclusion in his budget next year. However, the indications so far are that it would replace the modest increase in corporation tax—and it has not been a bearish point brought up by stockbrokers.

The fact that share prices have moved sideways for many weeks, a highly unusual pattern for the local market, demonstrates a degree of skill shown by investors which encourages a hard look at Hongkong long term.

The factors keeping a firm lid on things at the moment can be briefly summarized. Although liquidity in the colony is the highest ever—more than 48 per cent according to latest figures from the banking system—local sources show a marked disinclination to use the money.

Quite a lot of cash has gone out into the Euro-currency market, normally on a three- or six-month basis because rates there are three full points over Hongkong's present deposit levels. Unlike funds placed offshore, these are subject to a 15 per cent withholding tax.

The "best lending" or prime rate set by the leading banks for industrial borrowing is 6.5 per cent—but industrialists still not convinced enough by the recent upward movement in overseas orders to make firm commitments on capital spending.

The colony's June trade figures showed a 9.5 per cent fall in exports by value and a 16.6 per cent decline in imports, with the latter figures a vital yardstick to the confidence of manufacturers processing raw materials.

However, the figures followed declines in May of 21 per cent and 22.7 per cent in the respective categories.

Furthermore, reports from the giant container terminals that handle 40 per cent of the colony's cargo suggest that the latter half of the year will see the long-promised upward movement in trade.

It seems fairly clear that the small investor will not return enthusiastically to equities until a definite sign of an upward movement is established on all fronts. Again, this is an encouraging sign for professionals who do not like to see their money go "up in the air" on short-lived booms.

One of the problems for a Hongkong-based financial writer is that hardly any overseas publications feel its readers are interested in the more serious aspects of the investment scene there. The great market stampede brought with it a fund of stories that were lapped up by readers abroad.

They split their sides laughing when the visitors' galleries of the colony's stock exchanges were closed by the fire brigade lest the floors should collapse and bowled with glee over the true anecdote of the Hongkong beggar who was arrested with five gold fingers in his possession, who told the magistrate he was following the progress of share prices on the pavement with his transistor radio.

## Answer in dollars

More sinister were the knowing chuckles in London financial parlours when highly doubtful companies, literally boasting assets of a couple of flats and a bath tub, were floated off at the peak of the boom at premiums of 500 per cent and 600 per cent to a gullible public.

All of this has to be lived down. But it is worth remembering that Hongkong's financial structure handled the avalanche without any big scandal—the brisk rental of London stockbrokers being "hammered" was only an echo there.

Perhaps the vague talk of "uncertainties" muttered by analysts scrutinizing companies in Hongkong is best answered in dollars and cents. Take the performance of Jardine Matheson and Company, one of the market leaders, over the past five years, during which the colony has experienced every vicissitude short of a big political upheaval.

In 1970 the company had 3,000 shareholders; today there are 30,000. Profits have grown 566 per cent from \$38m to \$215m. The dividend has well over 400 per cent to 63 cents a share and gross assets have climbed from \$285m to \$2,671m.

The figures are in Hongkong dollars (the conversion rate is about \$11 to £1) to reflect another sign of the times—the growing financial independence of the colony.

The Hongkong dollar has been floating since November last year. But long before then it had been expressed in United States dollar terms and pegged for all practical purposes to the "greenback" rather than the pound.

Hongkong still has substantial sterling balances in London, but these have been and are continuing to be diversified as swiftly as prudence and the British Government permit.

It would be foolish to suggest that Hongkong is totally isolated from events in Britain—nor would it wish to be. The most telling argument to support the continuing good working relationship between Hongkong and China is that the Union Jack flying over the Government House offends no one.

The apparent willingness with which China made a more than token gesture of support with oil supplies in the worst of the crisis, the construction of a \$150,000m underground railway in the colony, representing an investment over 20 years, and the classic usefulness of the place as a source of foreign exchange for its neighbour, tell their own story.

Growing maturity for a securities market brings difficulties that are the opposite of isolation ones: the dependence on interest rate movements, and the continuing need for demand from international markets for product lines that have to be traded up in order to handle vigorous competition from areas like Taiwan and South Korea.

The signs for interest rates point quite clearly up and will continue to do so as economic recovery increases the demand for money. But comparative stability on the inflation front in Hongkong should mean that lenders will not need high rates to guarantee a return in real terms, so it is quite possible to conceive share prices rising along with interest rates.

The justification for claiming that the Hongkong stock market will offer solid rewards faster than most other places—for those prepared to hurdle the dollar premium or the bigger fish with access to back-to-back loan finance—must rest on the colony's famed flexibility.

An increase in consumer spending in overseas markets, it is argued, is already showing up in the order books stretching to perhaps November.

If the question hanging over the United States economy is resolved in the right direction, the impact on the

colony's exporters will be swift and dramatic—swiftly spilling over into the whole economy.

It is perhaps difficult for readers to begin to understand that the colony's claim to "spin on a dime" can be demonstrated yet again. On the considerable plus side is the fact that Hongkong's labour force is almost entirely strike-free—agreed fragmentation of some industries plays a part there and that is a future problem to be solved.

Even more incredibly in overseas eyes there have been plenty of examples (not reflected in inadequate government statistics) of workers in the colony accepting wage cuts during the recession in a demonstration of oriental patience, waiting for the ball to bounce back in their favour.

## Lessons learnt from boom

The bears, beginning to thin out in number, believe the recovery of the Hongkong stock market was based on the same factors applied by London and Wall Street—a recovery from the shambles last year and a discounting of better times in late 1975 and into 1976. As such, they say, the rise that has so far taken place is sufficient.

Although history is not an arbiter, the most logical sequence of events is that the next bull market impulse will be a sharp one.

The lessons learnt during the boom and bust failure have brought a number of developments that certain entrepreneurial citizens would rather have done without.

Principal among these is a newly-hatched Securities Exchange Commission, a number of long overdue, and not particularly onerous pieces of legislation to protect investors and a takeover code that draws on London experience but is tailored to the rather special environment.

The latter has not yet been fully carried out on a voluntary basis. But the studios attention paid to its formation by merchant bankers like Jardine Fleming, Wardley, Kleinwort, Benson, Schroeder, and Chartered, herald a belief that the regulations will have a real situation to control.

We have the word of Mr Valentine that "the market is going to see a series of acquisitions in the near future" and, while conceding the point that the colony's Happy Valley race track opens in October, investors there are likely to find more than equine sport in the coming months.

# Faster future for millions of words

by Bill Kratzer  
focus editor, Far Eastern Economic Review

Hongkong's communications services, both domestic and international, are among the few things in the rapid, exciting colony that make life bearable. The businessman suffers the vagaries of telephone services in Jakarta or Bangkok just once before offering fervent thanks for his wisdom in choosing Hongkong as his South-east Asian base.

The colony's internal telephone services are inexpensive and reliable, and on a telephone-per-head basis reach almost 25 per cent of the population of 4,500,000. Domestic and international postal facilities which already match standards of service offered in most advanced countries, will receive a further boost with the completion next April of a new General Post Office in the heart of the Central business district.

As for international telecommunications—vital to a fast-moving manufacturing, trading and financial entity such as Hongkong—the services already provided will soon be further improved through the introduction of direct telephone dialling to important cities all over the world.

At present, using the international operator, 25 Hongkong residents can make calls to 100 cities in London. However, calls must be booked, as delays can mean large sums won or lost for businessmen dealing, for example, in international foreign exchange markets, gold, commodities or securities.

Twenty-five direct dialling circuits have been in operation between London and Hongkong for some time, and the number of calls in this direction is reported to have jumped by 70 per cent since the service was introduced.

International telecommunications services in Hongkong—and a good many international services as well—mean Cable and Wireless. The British government-controlled telecommunications giant works in the colony under a Hongkong government franchise.

What may be termed monopoly thinking has tended to stand in the way of public service on a couple of occasions in the past few years—like many other employees in Hongkong, Cable and Wireless has not been without labour problems but generally speaking the wide range of services offered is pretty difficult to fault.

All of the facilities provided by Cable and Wireless in Hongkong, the international telex services have been expanding the most rapidly. Telex has the advantage of combining the immediacy of the telephone with the precision of the written word, and Hongkong's dynamic business community has been quicker than most to see its advantages.

In the year to the end of March, 1975, overseas outward telex time in minutes totalled 6,200,000 compared with 4,600,000 for the previous 12-month period. Overseas inward telex time amounted to 7,300,000 minutes compared with four million. Further, overseas transit telex time stood at

7,500,000 minutes compared with 1,700,000.

Perhaps even more significant, the number of telex subscribers in Hongkong leapt from 2,350 at March 31, 1974, to 3,417 at the end of March this year. The rapid rise in demand for telex services—a demand now being met by two fully computerized electronic telex exchanges operated by Cable and Wireless—has to a certain extent come about at the expense of conventional overseas telegram services. In the 12 months to the end of March 1975, outward overseas telegrams numbered 1,200,000 compared with 1,400,000 in 1973-74. The number of incoming telegrams fell to 1,600,000 from 1,800,000. Transit telegram traffic, however, rose to 1,800,000 messages compared with 1,400,000.

Meanwhile, international telephone traffic, which will undoubtedly record a significant leap when direct dialling from Hongkong comes into operation, has been rising steadily. Outward overseas telephone time recorded for the 12 months to the end of March, 1975, totalled 10,600,000 minutes, compared with 9,400,000 for 1973-74. For incoming calls the figures were 13,700,000 and 10,800,000.

To keep pace with rising demand the new Cable and Wireless international telephone exchange came into operation in August, 1973. With a capacity of 700 circuits using submarine cable, radio and satellite, the overseas facilities link in with Hongkong's domestic telephone system.

Like Cable and Wireless's Hongkong operation, the

domestic telephone run on an old basis. The company is the Hongkong Telephone Company, which charges for domestic revenues are set at an annual flat rate.

The company's revenues, however, have been serene in the past so. Faced with a shortage of about 1974, the company last year a the following increases effective 1975: 1—annual line rental from \$HK480 (up by 71 per cent) to \$HK410 to \$1 by 71 per cent) exchange line-inits from \$HK125 to \$1 by 76 per cent).

Faced with a pu over the telephone proposals, the C set up a committee into the operations, while a time approving a increase in ann charges and with ties paid by the Government.

The 30 per cent has been in a March and the final report is tabled on August. The report will reveal the phone company is in asking for a 2 increase in rental which case Hong which far less to cl inexpensive telor work.

It may, however, leading in other w be no reduction i sent scale of char

## More inter-Asia container services may run

continued from previous page

Compagnie Maritime des Chargeurs Réunis of France with Compagnie Maritime Belge and Ahlers Line, Kawasaki Kisen Kaisha (the K Line) of Japan, Nippon Yusen Kaisha (the Nippon Yusen Line) of Japan, and Overseas Container Line, run by shipping magnate Mr C. Y. Tung.

The lines involved have committed eight fast new container vessels to the service. By the time they are all in operation towards the end of 1976, the consortium will provide weekly sailings to Britain, Scandinavia and northern Europe from ports in Japan, Hongkong, Korea, Taiwan, the Philippines, Singapore and West Malaysia.

Only one container berth in Hongkong will be chosen by ACE, hence the lobbying now going on between the operators. Shipping sources believe the new container ship Seven Seas Bridge, now being fitted in Japan, will be the first ACE ship on the run, possibly even before the end of this year.

The burning topic among

container men at the moment is who will get control of berth number two in a deal that might create a "king" of Kwai Chung. Kowloon Container Warehouse (KCW) insists that it is not for sale. It is capitalised at \$2K10.4m and has a \$105m loan outstanding to National and Grindlays bank.

The berthing facility, acknowledged to be a good one built for £12m in 1973, has 25 acres of land. Oyama (as it is sometimes called instead of KCW) lost the in-house Oyama feeder fleet as customers in the wake of the shipping company's financial troubles, and that represented one third of its business. The other users include Scandutch and the K Line, which is reported to be in talks with the Japanese Government that might lead to some sort of salvage operation on the Oyama fleet and possibly touch on the future of berth number two.

The third user of the facility is the Russian Fesco line (Far Eastern Shipping Company) of Vladivostok, which has been running con-

tainers for two years between the United States and Canadian West Coast ports and Japan and Hongkong. The Russians are almost grudgingly admitted by the other lines to be first class in seamanship—and acknowledged by the terminals as excellent and prompt payers in United States dollars.

Both MTL and HIT are known to be actively interested in buying all or part of berth number two. The understandable concern of the Japanese Government is to maintain a strong foothold in Hongkong's container facilities, and their determination is a force to be reckoned with. Nothing in the way of change of control can be affected without the agreement of National and Grindlays, which effectively now holds the purse-strings.

The most likely solution will be a typically Hongkong one: a consortium formed among one or more of the terminal operators together with shipping lines to take over berth number two. Interestingly enough in this context, insiders believe the Russians United Kingdom

should not be entle of the possible pe

Meanwhile clais ter-claim go on far ahead the K operators are wid ing activities and just how lucrati mate cake will b of course, on wide kong can dema widely held feeli colony will be a first of the tradit bounce out of the

The second throughput of it only a tiny percen than the first q container exports weekly figures—on the 1,400 box a of Europe—are r at a rate leaving statistics far bein

MTL's experient weeks underlines ward swing in d will be a typically Hongkong one: a consortium formed among one or more of the terminal operators together with shipping lines to take over berth number two. Interestingly enough in this context, insiders believe the Russians United Kingdom

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## DOWNWARD SPIRAL IN ULSTER

the downward spiral of in Northern Ireland and activity of political authority in the face of it, it in effort to remember that government has a policy for violence in the short run. The was assembled after the all of the Northern Ireland five fifteen months ago and nultaneous abortion of the igitale agreement. It conf encouraging the elected entatives of the people of rn Ireland to seek agree- angements for governing ovance. A vehicle was pro- icted earlier this year. ing put the vehicle on the e British Government pro- to interfere as little as le with the way it was. The Government's func- as to provide for public ce carried out its own pol- eassment to administer through the provincial ervice, and temporarily to any legislative business, "Belfast, but in London, procedures of colonial e could never be much ence that the key to this ould be found, that the ans of Northern Ireland ang invited to do so in- angements sufficiently le to enough of them to of settled coexistence by o allegiances. Nor can be much confidence now, gh the course the Conven- as taken so far has been encouraging than was ed, by this newspaper at. Given the course of British towards Ulster from 1968

to 1974, and given the state of opinion and working assumptions at Westminster, the policy deserved a try. And having deserved a try it now deserves to be allowed to run its course. The terminus is the report of the Convention, and that can be expected within two or three months.

A diminution of insurrectionary violence was a condition of success for the policy. And when Mr Merlyn Rees saw and took an opportunity to negotiate a ceasefire with the Provisional IRA in February, it looked as if that condition might be realized. It has not worked out that way. The vacuum (for so it seems to have been) left by the cessation of the Provisionals' campaign of murder, arson and explosions was filled by an intensifying sequence of retaliatory sectarian murders. The Provisionals kept out of it for the most part, leaving the field to other murder gangs of Protestant and Catholic complexion. More recently, as the drums have rolled for the commemorative season of tribal wrongs, the mobs and the bombers have taken to the streets again, and this time the Provisionals have not stayed out of it.

The intensity of the criminal violence over the past months has made reference to the ceasefire (or "genuine and sustained cessation of violence" in the Secretary of State's phrase) a sick joke to the minds of many Ulstermen. Mr Rees's willingness to persevere in the procedures by which the ceasefire is given artificial respiration, one of which is the release of Provisional detainees from Long Kesh, hardens the suspicion, which comes easily to Ulster

Protestants, that he has done some secret political deal with the IRA.

There is no firm evidence to justify that suspicion, which is anyway inherently improbable, but the readiness with which it is believed has now come to threaten whatever chance of success the Government's Convention policy may have had. Protestant paramilitarists threaten to make war on the Catholic community if the Government will not make war on the IRA, while leaders of the elected Unionist coalition demand that the presence of the ceasefire be abandoned. The Administration in Ulster is in danger of losing the acquiescence of the majority as it did in May 1974. And that it did in May 1974. And that it would mean an end to any hope of improvement out of the present policy. Yet a resumption of warfare by and with the Provisionals would not only increase death and destruction in the province and probably in Great Britain, it too would put paid to any favourable outcome from the present policy. The necessary political compromises could not be reached against that background.

The best thing to do in these difficult circumstances is to concentrate on giving the policy which the Government has been pursuing for the past twelve months a chance to come to a conclusion in the Convention. That means trying to avert a catastrophic change in the level and elements of violence during the next two or three months; and that is probably best achieved by resisting demands for a sudden change in the role of the security forces.

## L AGAINST ALL IN ANGOLA

colonial power, to resume control of a colony within months of the date set for independence is without precedent. A great pan-African outcry normally be expected. But a is an unprecedented and Lisbon had little alter- but to announce that it resumed control "in the name of any functioning ment". Its power to later Angola at this late will not extend very far, if it reinforces its 24,000 stationed by agreement in t. The neo-colonial admini- has announced two aims: to the remaining 300,000 use out, and to continue ation by ending the civil ictween the three warring national movements.

The Portuguese have withdrawn most outlying areas, and is given to escort the column ites fleeing to South-West from Sa da Bandeira. As the National Front and the National Union back into the coalition great arranged seven ago at the ill-starred meeting, that would seem sible, since the Popular (Dr Neto's MPLA) is Luanda, having forced thraldom of the last of the al Front's garrison. So

ministers from the other two parties would exist solely under Portuguese protection.

Already Dr Neto has astutely used the Portuguese action to win another round in the propaganda war, by declaring that his ministers in the non-functioning government will stay in their offices and will refuse "to abdicate their historic responsibility to the Angolan people". Whether this is a unilateral declaration of independence is not clear, but it does assert for future use the claim that the National Movement is the only true nationalism. It also publicly denounced talk of dividing Angola into three zones of influence, though this was manifestly happening, the real issue being the zonal frontiers.

The Popular Movement is fighting to hold Lobito, Angola's major port, vital to Zambia and Zaire, second in political importance only to Luanda to support Dr Neto's claim to be sole heir to Portuguese rule. The other two parties have joined forces to deny Lobito to him. If they succeed, they might then fall out, but as the National Front holds the North West of Angola and Unita's strength is in the south, divided by Popular Movement territory, as ad hoc alliance is more likely.

The Portuguese plan was to hold elections for an indepen-

dence government in which the three parties would be represented according to their electoral support and to which power could be transferred. Elections being manifestly impossible, the question will arise to whom will Portugal formally hand over power on November 11—for that party, however embattled with the other two, will then claim international recognition, relegating the others to rebel status. If Dr Neto controls the capital and the coast, he may hope to be in such legal possession after November 11.

The alternative would be for Lisbon to postpone independence. That would upset African opinion, for there is something sacred about the day of liberation from white rule, no matter what misfortune supervene the day after. This might prove the heroic remedy, uniting the three against imperialism, but it seems unlikely. The strange irony is that in the history of decolonization the only metropolitan government to be in such a fix is a Marxist one. If Lisbon can get the whites out by then, it may be tempted to emulate de Gaulle in Guinée or the British in Palestine in 1949—take to the ships and leave events to take their course.

## ACKING THE NEWS AT TRANSPORT HOUSE

lummy intervention of Mr Clark, publicity director Labour Party, in the dis- the Birmingham Post and as turned, a routine indus- dispute into a battle about eedom of the press. That of have been his intention; has been the effect.

the beginning of July 240 ts of the National Union arnists employed at the and Mail were dismissed taking part in industrial support of a pay claim. of the dismissed journalists plicants, a few were even ed after enquiries with other who crossed picket lines. Although no early settle- seemed to be in sight, talks on the two sides and with advisory Conciliation and ation Service were still ung. Until Mr Clark's ention it was a routine rial dispute.

has told the Post and Mail ey could not expect to e the normal press facilities. Labour Party conference outh because, he claimed, facilities were limited to

members of the NUJ—which may have been intended to strengthen the journalists in their dispute with the newspaper management. Now it seems that Mr Clark is attempting to persuade the Press Association to deprive the Birmingham Post and Mail of all Labour Party news.

An experienced director of publicity, such as Mr Clark is, can hardly be blind to the interpretation that will inevitably be placed on his intervention, that it has serious implications for the freedom of the press. It is unlikely to help the Birmingham journalists because their dispute about pay will be submerged in a wave of protests about interference with freedom of communication. Nor is it likely to reassure those Labour MPs who have private doubts about Mr Michael Foot's labour relations Bill which comes back to the Commons after the summer recess when the important amendments made by the House of Lords will have to be considered.

Both parts of Mr Clark's intervention in the Birmingham dispute have disturbing implica-

tions. In practice the Labour Party has never confined the allocation of credentials at the party conference to NUJ members, although the existence of such a "house rule" may have been a useful excuse with which to answer applications for credentials from minor publications for which there was no room. The danger is that the rule may have been so widely publicized in the past few days that Mr Clark will now feel obliged to observe it—to the detriment of the reputation of the Labour Party and the proper coverage of its conference by press and television.

The second prong of Mr Clark's intervention is his attempt to cut off the Birmingham Post and Mail from the flow of Labour Party news. He appears to hold the view beloved by eighteenth century Parliament that he who makes the news has some proprietorial interest in such news. The role in which he casts the Press Association for this charade is one which it should have no difficulty in rejecting out of hand.

employed youth

Mr Alec Dickson and  
von Hicks

e write to give our support  
plea made by Anthony Steen  
on Britain (August 9) that  
government should make re-  
s available to voluntar-  
to find tasks within the  
ty of our unemployed school

know that there are countless  
is for the management and  
ement of the environment  
ould, and should be tackled  
a kind that excites young

know that numbers of social  
s departments and hospitals  
welcome the contribution  
of the elderly, but voluntar-  
s could help with their pre-  
and supervision. It is surely  
rable that they become col-  
s rather than clients of the  
services.

If resources are made available either through a per-capita grant or in some other way we feel certain that voluntary agencies could help to meet this challenge.

Yours faithfully,  
ALEC DICKSON, Hon Director,  
Community Service Volunteers,  
237 Penrose Road, N1.  
SIMON HICKS, Director,  
British Trust for Conservation  
Volunteers,  
Zoological Gardens,  
Regent's Park, NW1.  
August 16.

Jubilee celebrations

From Mr Roland Freeman

Sir, It is easy enough to misunder-  
stand Mr Ilkyd Harrington (August  
14) because he shifts his ground so  
quickly. My complaint (August 13)  
was not about the Jubilee as such  
(indeed I am sure it will be a great

and profitable success) but about  
Mr Harrington's idea for a Festival  
of London in 1977. It is hardly  
ceivable that such a festival, given  
the terms in which it was proposed,  
would involve no public expendi-  
ture by the GLC.

However, just to shut the stable  
door before the horse bolts, I have  
tabled a question for the next  
Council meeting asking Mr Harring-  
ton, as Chairman of Policy and  
Resources, to undertake that no  
expenditure will be incurred by the  
Council on a festival or indeed on  
any other celebrations in 1977.

Ceremony is a proper function for  
the monarchy, but the time has  
come to put a stop to municipal  
pretensions in this direction.

Yours sincerely,  
ROLAND FREEMAN, GLC Member  
for Finchley,  
Members' Lobby,  
The County Hall, SEL.  
August 14.

## Advanced train development

From Mr Anthony Smallhorn

Sir, Anybody interested in the long term industrial future of this country must be horror struck by the article by Michael Baily (August 14) on the possible ending of British Rail's advanced passenger train (APT).

Successive governments appear to show a continued lack of understanding of the value of innovation and invention, or their use as long term industrial catalysts. The high speed train (HST) must be regarded as the final development in the evolution started by Richard Trevithick, Watt and the Stephenson. It is likely that the APT shows the way in which the railways of the world will develop and that the system used in Japan and similar developments requiring special permanent way are technological cul-de-sacs.

The cost and value of APT cannot be measured as development expenditure plus £26m for three prototypes plus £60m for production units. Historically APT may eventually be measured as the first example of a nationalised industry developing and producing a successful world beater which increases national industrial understanding to a degree far more valuable than the actual cost. APT has been an aircraft principle, its aerodynamic efficiency may have spun off into automotive design, it must develop materials and bearing technology in usable areas to a degree which makes the spending on Concorde look stupid compared with the national industrial return.

No industrialised nation can afford to be without prestige projects. In Great Britain government and industry continuously fail to measure the due of these projects on a national basis. Maybe it is time for a committee to be established to study and regulate the use and abuse of new technology. APT is to industry in the United Kingdom as important a catalyst as the NASA space program has been to industry in the United States. From the technological point of view the wrong decision was taken when TSR2 was cancelled and Concorde allowed to continue to absorb public funds for so low a return to industry.

If a decision is taken to cancel APT then it would not simply "gobble up this particular grain of seed corn now". It would show the world that Great Britain has no long term industrial plan, and no interest in the development of new technology.

Yours faithfully,  
ANTHONY SMALLHORN,  
Wratby, Wetherby,  
Skipton, West Yorkshire.  
August 14.

Deployment of Nato forces

From Mr Neville Sandelson, Labour MP for Billingham, Hayes and Harington

Sir, I take mild exception to Lord Chalfont's reference (August 11) to the exchange between General Sir Harry Tuzo and myself contained in an Expenditure Committee Report following a recent Defence Sub-Committee visit to BAOR, which he cites as an example of the "com- placency of politicians". In fact, though Lord Chalfont has a wider audience, I suspect that we are equally considered repetitive and insistent bores in our respective spheres on precisely the same theme, namely, the overwhelming superiority of NATO to the Warsaw Pact and the menace this poses. It should have been obvious to Lord Chalfont that in stating that we would be overwhelmed if it came to "a conventional type war and conventional weaponry" I was merely underlining Lord Chalfont's own view that there is an urgent need to reinforce NATO strength in the conventional field.

Lord Chalfont mentions elsewhere in his article the use of asterisks in the Report to replace significant facts and figures "in the interests of security", and he should have appreciated that if he had pursued this line with General Tuzo the subject of nuclear weapons and their use in given situations the replies would have been more lines of asterisks. These matters were of course discussed privately with the military commanders and there was no complacency on these other issues on the part of "their political masters".

Yours faithfully,  
NEVILLE SANDELLSON,  
House of Commons.  
August 12.

Drugs for depression

From Dr J. Durham and Dr J. Spencer-Peel

Sir, May we draw your attention to misleading statements in your report of August 5 ("New hope for suffering from depression")?

The report implies that Lithium and Amphetamine are new developments in the treatment and prophylaxis of depressive illness. In fact, both have been shown to be effective in many previous trials. In particular, Lithium has been used in treatment of manic depressive conditions for more than 25 years, and Amphetamine for more than 15 years.

The repetition of clinical investigations with or without refinement of techniques is of course a necessary part of clinical research; and the reported trial will no doubt be of great value, not only in confirming the therapeutic and prophylactic effects of these drugs, but in refining the indications for their use. However, it is misleading to report such work as if it yielded fundamentally new findings. Many of the thousands of patients who have had this treatment over the last 10 years or so might, from your report, conclude that it was a novel "experimental" treatment which had been prescribed for them in the absence of proper knowledge of its usefulness.

Yours faithfully,  
J. DURHAM,  
J. SPENCER-PEEL,  
Ealing, Hammersmith and Hounslow Area Health Authority (Teaching),  
St. Elizabeth's Hospital,  
Uxbridge Road, Southall,  
Middlesex.

## Government and socialism

From Mr R. J. Silburn

Sir, Mr Paul Foot (special article, August 14) is concerned that the present Labour Government is not applying socialist principles. Rather than accept that this is due to the impact of reality on honest, if misguided men, who have found with experience of office that socialist policies are outmoded and harmful, he prefers to believe that the Government is the "helpless puppet of the great industrial and financial corporations". Yet these omnipotent corporations, who have governments in their power, are apparently unable to manage their own affairs, and in an earlier paragraph are described as "collapsed and gutted". He cites examples of gross mismanagement in private industry. He should know that all industries are subject to human frailty and even to socialist countries mismanagement is not unknown. The advantage of the market economy is that the fruits of mismanagement are gathered by the companies concerned, who must rapidly mend their ways or go under. A state-run concern merely passes the losses on to the taxpayer, and continues in the same old way.

"Socialism", we are told, "is about the development of the energies and abilities of the working masses." Is it? The inhabitants of what is now East Germany had energy and ability enough under capitalism but under a socialist regime they have to be kept in by armed guards and barbed wire.

The doctrine of state ownership of the means of production was developed in the late nineteenth century and achieved its dominant position in British political thought for most of this century. But apart from the "old believers" and the lunatic left fringe it has few ardent supporters in 1975. It is now seen as a well meaning but flawed attempt by the state to take over all the functions of society, leading to mountains of legislation, armies of administrators, heavy taxation and over-centralised rule. The socialist people have had their belly-ful of socialism. Like the supporters of the Stuart royal line, another historical dead end, its protagonists will be with us for a long time, but it is equally a dying cause.

Paul Foot's last line gives the game away. The parliamentary road to socialism, he admits, is a blind alley. Socialism can now only be forcibly imposed on an unwilling people.

Yours sincerely,  
R. J. SILBURN,  
10 Woodcote Hurst,  
Epsom, Surrey.  
August 15.

Buying British

From Mr Peter McGregor

Sir, The problem of import competition is not so simple that mere exhortation to buy British will solve it.

It used to appear that those who bought foreign cars were those who did not have foreign competitors. I have not had British—and I mean SILC—cars which are personally owned or provided by my employer. They have served me well, but I was also sympathetic to the hard pressed management whose efforts to produce a competitive range of cars were constantly upset by their inability to get things done in time, and small defects of workmanship. They deserve some congratulation for what they have done in the face of an environment of hostility unparalleled in other European countries, instead of the constant criticism of the largely ignorant.

Having said this, however, I must add that I am sufficiently impressed by the Ryde exercise for my loyalty to be disturbed, for perhaps the only way to prevent large sums of money being poured in to support people who have not seemed prepared to help themselves is to ensure that there is no demand for their products. Figures for investment and productivity have been bandied about, but why do we not see the one that might be significant—the productivity of the new Cowley plant which was presumably equipped to the latest standard?

Another problem is that of locating the British product. During the past year or two I have bought a number of items for my garden. I had no desire to buy foreign products, but the result was

—a lawn sweeper sold under the name of Allen of Oxford turned out to have been made in the United States (it stopped working after four months and is awaiting spare parts).

—an electric clipper sold by Wolf Tools turned out to have been made in Japan.

—a lawn mower sold by the British company Webb had an engine made in the United States (the mower cost more than my father's first car and I cannot even ride on it).

—garden hosepipe now seems to come only from Germany, and I was offered two competitive makes from that country.

Suffering in Ethiopia

From Professor Edward Ullendorff

Sir, It is a pity that Mr Patrick Gilks, in his profoundly committed piece on "the new socialist Ethiopia" (August 14), did not have prior sight of the letters by Messrs Lee, Blair Thomson, and Asfa Wossen Asrat, printed on the facing page, which refer to "the anarchic chaos which the Derg's policies of terror, intimidation, assassination and deception have inflicted on a people still awaking the freedom, security, justice and prosperity promised them by last year's revolution". This, I fear, is the deeply distressing reality in Ethiopia today, where "examinations and village imprisonment of innocent women and children" continue unabated.

In Portugal, a society more readily comprehensible to European

nurs of contention which are worth chewing over.

His predictable attack on the profit motive does not take left-wing thinking any further than its usual dead end. Many of us who are not left-wing dislike aspects of the profit motive and liberal thought has been largely directed towards mitigating its more extreme expressions. But no socialist has yet produced an alternative measure of competence and efficiency. Mr Foot produces a list of failures of companies from Court Line to Keyser Ullmann in order to show that free enterprise does not work. He seems unaware that these companies failed against the single criterion of the profit motive and, contrary to his thesis, were examples of free enterprise working through the rejection of the inefficient.

Everyone has their own stories of encounters, as consumers, with nationalised industries. As one flourishes into their infinitely absorbing structures one year for the feel of a real hard core (such as a profit motive) which might even occasionally reassert the relationship between supplier and customer. One of the major reasons why the majority in most countries reject socialist economic thinking is because of the lack of a responsive monitor of success and failure which the average person can refer to as easily and reliably as the profit motive—with all its faults.

The alternative seems to be the handing over of judgement to bureaucrats, which point the matter ceases to be one of economics but one of surrendering customer and, therefore, finally, individual freedom.

Yours faithfully,  
D. NUNN, Planning Services  
Director,  
MacKay and Partners Ltd,  
36 Upper Brook Street, W1.  
August 15.

From Mr William Castell

Sir, Surely the economic collectiv-ism so dear to the heart of Mr Paul Foot implies political dictatorship and other horrors as demonstrated wherever the system operates.

Mr Foot should remember that part of the "mumbo-jumbo" of the capitalist system includes personal liberty, such as he enjoyed in your columns. It could well be that many who support the idea of the capitalist system do so, not because they believe it is ideal, but because the odds are that any known alternative would mean loss of personal freedom.

Mr Foot and his friends should exercise great care as once this freedom is lost it is not easily regained. Ask Solzhenitsyn!

Better the "mumbo-jumbo".

Yours faithfully,  
WILLIAM CASTELL,  
5 Pierrepont Street,  
W8.  
August 14.

Yesterday (August 14) I had to replace a tyre and tube on my boot trailer, and was offered only a tube made in France and a tyre made in Holland.

The Department of Trade should look at the buying decisions of the importer, the wholesaler, and the retailer if they want to understand this problem, which does not only result from expressed consumer preference or even perversity.

Finally, Sir, there should be no occasion on which we run an adverse balance of trade with the communist countries. I am in favour of free trade in open societies, but with closed societies we should only trade on a basis of actual quantitative trade equality controlled by quotas.

Yours faithfully,  
PETER MCGREGOR,  
Dacres,  
Trenton Street Way,  
Londwerry, Hertfordshire.  
August 15.

From Dr David Vince

Sir, Perhaps more people would be encouraged to buy British cars if they were not committed to paying for them at the price current at the time of delivery. Strikes hold up delivery, but do not appear to have any effect on the regularity of price increases, so that in many cases motorists have to order a new car for uncertain delivery at an unknown price.

It may be that Mr Peter Shore is prepared to do business on this basis (it is, after all, characteristic of most government expenditure), but most of us have to balance our books with some care, and there must be many like myself who feel aggrieved that they should actually be asked to pay more for the inconvenience of an extended delivery.

When I ordered a new Ford in June, the dealer cheerfully told me that there should only be one price increase before delivery; now he tells me happily that Ford are on strike (again), and I may not get delivery before the next price increase. If the customer has to pay for the manufacturer's shortcomings, is it so surprising that there are fewer customers?

Yours faithfully,  
D. VINCE,  
Essendene,  
Bill Road,  
Northwood,  
Middlesex.  
August 14.

Nocturnal bells

From Mr R. Johnson

Sir, While the Environmental Health Officers Association has every sympathy with your correspondents who have been complaining about being disturbed at night by faulty burglar alarms, the suggestion made by Mr Mervyn Bryn-Jones (August 15) that local authorities have legal powers to deal with this nuisance under noise abatement legislation, is extremely doubtful. We are glad to learn that he was able to secure relief from this noise through his own local authority, but the association would not like the impression to be given that this procedure will always provide a remedy.

Yours faithfully,  
R. JOHNSON, Secretary,  
Environmental Health Officers Association,  
19 Grosvenor Place, SW1.  
August 15.

## Code of advertising practice

From Mr A. D. Woolf

Sir, The new Code of Practice to cigarette advertising announced by the Advertising Standards Authority merits the humorous comments in your leader (August 13) but merits much more. What is now banned from cigarette advertising is the direct or indirect publication of a pack of traditional lies; the highly charged, psychologically refined false implications of the benefits to be derived from purchasing and consuming the advertiser's product.

Why should the banning of this very expensive and profitable deception of the public be limited to cigarettes? The same false promises of health, virility, social, sexual and business success are offered as reasons for purchasing tooth-rotting confectionery, intoxicating liquor, lead enriched petrol and almost any other product you care to name. The Advertising Standards Authority has merely confirmed, in relation to one product, the generally accepted deplorable standards of a deplorably and-social but brilliantly self-defensive industry. The lesson should not go unnoticed.

Yours faithfully,  
ANTHONY D. WOOLF,  
24 Despondence Road,  
Denmark Hill, SE5.  
August 14.

## Squatters and the law

From the Solicitor to the Metropolitan Police

Sir, I refer to the letter from Mr Gordon W. Quance on the subject of squatters and the law, which you published on August 15. May I make it clear that my letter which you published on August 6 was not intended as an exposition of the law on squatting, but as a refutation of a number of inaccurate and misleading statements which had been made about the attitude of the police to squatters, which caused grave public disquiet.

I did not suggest that there was a distinction in law between the position of the owner or tenant of an occupied house temporarily absent and whose house is occupied by squatters and that of the owner of empty premises, but did intend to indicate that there is no important distinction in fact and in Metropolitan Police policy. The Commission has made it clear in a recent announcement to the press that the Metropolitan Police will have no hesitation in assisting the lawful occupiers of furnished residential accommodation to eject anyone in unauthorised occupation of it.

Yours faithfully,  
E. O. LANE,  
Solicitor to the Metropolitan Police,  
New Scotland Yard, SW1.  
August 15.

## Liverpool Street Station

From Sir John Betjeman

Sir, I agree with your correspondent of August 11 about the complications of finding the Underground stations and taxi ranks at Liverpool Street. But the righting of these wrongs need not involve the destruction of the present stately train sheds. As we know from the brochure published by the development, the City skyline will be submerged in an enormous bulk of offices stretching from Broad Street to Bishopsgate. Under these, as crushed and puzzled as they are at Euston, will be the passenger scheme is realized.

Yours faithfully,  
JOHN BETJEMAN,  
29 Radnor Walk, SW2.  
August 12.

## Highgate Old Cemetery

From Mr Oliver Green

Sir, I would like to give my support to Mr John Gilroy's suggestion (August 7) that Highgate Old Cemetery be reopened to the public. By coincidence I visited Highgate with a colleague on the very day that Mr Gilroy's letter appeared, to photograph the Old Cemetery for the Museum of London. I received permission for this only after considerable difficulty and this was in marked contrast to the reception I received at Kensal Green Cemetery, also visited by a private company, where every possible assistance and aid was given.

The problem at Highgate is that the graves and catacombs, many of which have GLC Grade 2 architectural listing, are overgrown and in a rapidly deteriorating condition, many having been vandalized. Nobody seems willing to take responsibility for any improvements at the moment while the cemetery is in the slow process of transfer to Camden Council, but the doubt ultimately reopen the cemetery to visitors. In the meantime, if restoration work is not begun very soon it looks as though London's most impressive Victorian cemetery will only be seen by the public when old Hammer horror films are reshowed on television.

Yours faithfully,  
OLIVER GREEN,  
91 Elgin Mansions,  
Elgin Avenue, W9.  
August 13.

From Mr R. Johnson

Sir, While the Environmental Health Officers Association has every sympathy with your correspondents who have been complaining about being disturbed at night by faulty burglar alarms, the suggestion made by Mr Mervyn Bryn-Jones (August 15) that local authorities have legal powers to deal with this nuisance under noise abatement legislation, is extremely doubtful. We are glad to learn that he was able to secure relief from this noise through his own local authority, but the association would not like the impression to be given that this procedure will always provide a remedy.

Yours faithfully,  
R. JOHNSON, Secretary,  
Environmental Health Officers Association,  
19 Grosvenor Place, SW1.  
August 15.











BY THE FINANCIAL EDITOR

# Keeping the rights issue momentum going

With 66 per cent going to the underwriters, English Property Corporation's £15m rights issue was last week given the worst drubbing of any major issue this year. But it was only a matter of scale that differentiated that issue from earlier flops by the likes of BOC International, Smiths Industries and Metal Box. Ironically, the day after EPC's failure BPB Industries unveiled a one-for-four issue, the sub-underwriting going extremely smoothly by all accounts, and the day after Sangster announced a one-for-three issue. So what, if anything, is one to make of the series of disasters?

The first point is that sub-underwriters are evidently requiring more tempting before they will participate in an issue. As I pointed out some weeks ago, the traditional discount of 15 per cent or so at which a rights issue price could be fixed had already moved out to be between 20 and 25 per cent, and it would now appear to have moved out further still. How far BPB and Sangster were consciously aiming to offer a bigger discount is not clear but both issues were priced at a 28½ per cent discount on the prevailing market price, and a realistic range would now appear to be in the 25-30 per cent bracket.

Unsurprisingly, the scale of discounts currently required has already driven several rights issue candidates out of the queue so that there now appear to be sufficient gaps for the eager to be sloped in—subject to the Government Broker's approval on the odd day in most weeks. A further factor here is that, with the market in its present state, discounts of the requisite size are once again an impossibility for many companies whose shares have been sinking too close to their par value.

But while there is an undeniable bout of congestion on the part of many of the smaller funds, it would be unwise to conclude that the flow of issues is drying up altogether. There is a surprisingly strong, if also partly political, desire among banks and brokers to see that the City goes on raising funds for industry. What that means is that there is likely to be some effort made to ensure that higher quality names still come to the market to sustain the interest of institutions which might, otherwise, lose faith altogether.

## Loan stocks

### Buying tactics

With the new 17½ per cent Slater, Walker loan stock changing hands at 98.97, and every indication that it would go a lot lower on a little selling, those holders of the cancelled Slater, Walker loan stocks who accepted the proposals put forward at last Wednesday's general meetings must now be wondering what sort of a deal they have got themselves.

Those holders who did not accept but found themselves bound by the 75 per cent plus votes in favour must be wondering still more; and the holders who did not even cast their votes—27.8 per cent in the case of the 9½ per cent stock 1988-93, and almost 40 per cent in the case of the 9½ per cent stock—should be silently kicking them-



Mr. Jim Slater, chairman of Slater, Walker Securities: a question of values.

seives. Like apathetic voters, they are not likely to win much sympathy by public complaint. Unlike most apathetic voters they cannot hope to reverse the mistake next time.

For when it comes to buying out loan stocks on a bidding vote there are a second thought for the holder and no possibility, as with equities in a bid situation, of continuing in a minority position. This is why the investment protection committee normally insists that the terms offered when a bid which shall be binding is made, should be very attractive, indeed, with the price pitched between that on a comparable gilt and par.

Purchases through the market are a different matter, with the decision to sell or not being entirely at the discretion of the individual holder and to be dictated by his individual circumstances. The mere fact that this is a case where there is no need to pitch the price so high made last week's contrast between the activities of Slater, Walker and Gallaher the more glaring. The latter bought at prices related to the equivalent gilts, while Slater, Walker's prices were pitched considerably lower, but in addition Gallaher was buying for cash. The value of the stock which Slater, Walker offered must automatically be open to question; and the brouhaha over the group's attempt to ease its total, and its secured borrowing limits inevitably undermined it.

It was not, of course, merely in respect of the price offered that there was a contrast between Gallaher's attempts to buy in the stock and those of Slater, Walker. Gallaher gave plenty of notice of its intention, and the notice was heeded. Even if the company decides to raise the price offered for its stocks next week, the holders—and it seems there are plenty of them—who have already sold can hardly complain. Slater, Walker had been buying in the market for some time before it announced any decision to go for the outstanding stock. The Stock Exchange had prod at this situation, and was satisfied it complied with the letter of the law; but that, perhaps, is hardly the point.

Meanwhile, the borrowing limits remain as tight as ever, SWS having been able to persuade sufficient holders of the 9½ per cent stock to vote in favour of the scheme. This is all the more reason why those who did not accept them should now hold absolutely firm, whatever the price they are offered, and non-assented prices of their stocks, until they are offered a very much better deal. Sufficient holders did vote in favour to have two of the stocks cancelled—even if in one case (the 9½ per cent stock) the majority of all holders was only 51.2 per cent. Slater, Walker shareholders gain; Slater, Walker stockholders lose. That the one

should gain so heavily at the expense of the other seems a pity.

## Overseas profits

### The gearing potential

If one assumes that other leading nations will reflect their economic lagging Britain does then, on a strict cause and effect basis, industrial profits might be expected to recover faster in, say, the United States and Germany than they will in the United Kingdom.

An alternative scenario is suggested, however, by Phillips & Drew in its latest *Market Review*. Broadly this is that, as United Kingdom manufacturing industry is now earning around half its total profits abroad, the gearing effect on these profits from reflation overseas could be substantial and rapid.

Almost certainly a major factor behind the sharp rise in United Kingdom exports last year was the weakness of sterling but as P & D expects sterling to weaken somewhat further there is no inconsistency in the expectation that United Kingdom exports should continue to benefit from overseas demand. The fact that the profits of overseas subsidiaries have also strengthened greatly can also be attributed to the exchange rate, and this trend also can be expected to continue presumably.

P & D has analysed the profits breakdown of its Equity Book companies, excluding oil and financial services, by published accounts. The 105 companies thus covered represent around 75 per cent of the total market capitalization of the FTSE 436 index. Profits from overseas sales are based on figures provided by the companies or on the breakdown of the tax charge. Profits from export sales are mainly inferred from applying the group pre-tax margin to published export sales figures.

These estimates suggest that around a half of the pre-tax profits in the FTSE 436 index are earned abroad. This overseas bias is widespread: 13 of the 22 sectors covered earned half or more of their profits overseas while only five relied on the United Kingdom for more than 50 per cent of their profits. Chemicals, textiles, food manufacturing, wines and spirits, heavy engineering, electricals and building materials were among those with the heaviest overseas bias, while stores and brewers were obviously most United Kingdom dependent.

On the basis of this large overseas involvement, P & D is expecting a "reasonable" growth in United Kingdom manufacturing profits next year after an expected 5 per cent fall in 1975. This latter assumption puts the prospective p/e ratio on the 436 index at around 7 which looks "low" ahead of the profits recovery expected in 1976. "This is the basis for our medium-term confidence in the equity market," P & D says.

All this, of course, hardly detracts from the fact that Wall Street, for example, is likely to recover faster under the direct impact of reflation. Phillips & Drew suggest that Wall Street is still "in the early stages of a bull market which is likely to last at least another year". The relative movement of currencies should also favour Wall Street most. P & D feels that the present premium rating in German stock markets is fully warranted, given the early reflation expectations there.

It is well known that airlines on both sides of the North Atlantic face serious economic difficulties. They have not remained immune to the impact of currency fluctuations, galloping general costs, sharp increases of fuel prices, the recessionary climate in the world economy and consequent shrinkage of traffic.

These factors are transitory to airline management's commercial policies—are certainly more telling on the economy of the airlines than are their own business decisions.

Against this background some recent developments in governmental air transport policies in respect of the North Atlantic as well as in matters of tariffs, charters, and charges, encourage the conditions in which air transport has to operate.

One has much sympathy with the desire of the United States government to attenuate the financial difficulties of American international airlines. But it is regrettable that remedies are sought in a kind of protectionist measures which do not contribute to an environment in which efficient American or European airlines can operate profitably.

The "Fly United States Flag" programme launched by the federal government did not stop at canvassing the American public and travel agents to give preference to United States flag international airlines: written into the United States law it requires all government contractors and sub-contractors "to utilize United States flag carriers for international air transportation of personnel and cargo".

Thus it affects the fair and equal opportunity of non-United States airlines to compete for United States traffic. This policy is undoubtedly intended to encourage the airlines to depart from those policies pursued by the United States and other enlightened countries

which normally allow the transport user a free and unhampered choice of his transport requirements, leaving it to the airlines to compete for the traffic.

Legislative measures or administrative pressures aimed at conserving segments of traffic for the benefit of specific carriers obviously militate against the consumer's freedom of decision, as contrary to their interests and could well have a dampening effect on the overall growth of airline traffic.

For the past three decades the United States has stood in the forefront of air transport policies rooted in the concept of "fair and equal opportunity" for airlines operating routes under inter-governmental bilateral agreements.

The "Fly United States Flag" programme is inconsistent with this concept which is enshrined in the so-called Bermuda principles incorporated in air agreements to which the United States is a party.

An American retreat from this position and the adoption of protectionist measures is likely therefore to find emulators in other parts of the world and affect not only European airlines but have a boomerang effect on American carriers themselves.

The United States Department of Trade "action plan", calling inter alia for the reduction of foreign competition if necessary by unilateral action of the Civil Aeronautics Board, tends to upset the balance of rights exchanged under bilateral air agreements and would thus undermine the legal regime underlying the operation of international air services.

Both the European and United States scheduled routes national airlines operate routes circling the globe. Sound economics of operating these routes demand that adequate traffic opportunities—including those

between other countries—are available to the carriers.

The imposition of restrictions—as differing from carefully-planned restraints jointly agreed by the airlines concerned—will, therefore, be counter-productive to the growth of traffic and revenues of scheduled airlines on both sides of the Atlantic.

Moreover, restrictionist policies applied to some American carriers while affecting only some segments of the traffic between the United States and Europe, cannot but have an adverse impact on air transport relations between the two continents, without any assurance that the traffic opportunities lost by airlines subjected to such restrictions would produce an automatic traffic gain for United States flag carriers.

In the charter area, obscure regulations cloud the North Atlantic competitive picture and prevent the scheduled airlines from establishing their tariff policies and scheduling programmes. The absence of a clear distinction between charters and scheduled services, the absence of agreement on a charter price base, the differences between charter rates on both sides of the Atlantic, inhibit an economically viable development of both scheduled and charter services.

In Europe, in the area of tariffs and related matters, the delays in governments' approval of International Air Transport Association (IATA) agreements or in their partial or total disapproval, and the pressure on governments to order fares and rates reserved to specific carriers, seriously hampering a timely and effective marketing of airline services.

In a period of rising costs and diminished traffic demand this further aggravates the conditions in which airlines have to carry on their business.

The continued escalation of airport, en-route navigation and associated charges erode the efforts of the airlines to keep their costs down and inhibit their attempts to stabilise their economics.

It is regrettable that a "compartmental philosophy" still persists in most European countries and in Europe as a whole, where the economics of port and activities connected with it are viewed by governments as it were through glass partitions, rather than being based on overall national, and in the longer run, European transportation policies.

It is of course reasonable for the bodies providing such services to air transport to strive to achieve a balance between their costs and services, but two nagging questions remain: do their systems of charges reflect public interest and are these facilities run in the most cost-effective manner?

It is difficult to evaluate the question of economic house-keeping, for example Euro-control, since no precise data are generally available. However, as an indication of the sharp burden of its charges, by 1980 an estimated \$300m (about £143m) may have to be paid to Eurocontrol by the European scheduled airlines, apart from other en-route charges.

Whatever the quality of husbandry, a prerequisite for a fair distribution of charges is surely the proper recognition of the public service performance by airlines and the importance of their contribution to national economics.

Against this backdrop it is evident that solutions to these problems are not in the airlines' court. It is for governments to consider the role of non-scheduled carriers and develop harmonized rules for their operations, if possible, through a multilateral agreement; to harmonize policies regarding charges levied on

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## Management

Edited by Rodney Cowton

## Now is the time to plan for the future

When the standard response to questions that companies plan for the next five years is that they will be grateful to be asked, it is a sign that corporate planning is being adapted to meet the needs of 1975. Unfortunately, widely held misconceptions about planning, together with the increasing pressure of short-term problems, make it even more difficult to persuade directors to take the time to plan for the future.

It would argue that in circumstances, planning is not only a luxury but a necessity. Most companies have survived a series of years, and we are learning. As a management team, we have been planning, and we have been successful. But the time has come when we must plan for the future. The time has come when we must plan for the future. The time has come when we must plan for the future.

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standstill in its corporate plan. The exercise by agreeing the three problems which, if tackled successfully, would produce early results. A brief on the data revealed margin anomalies, market threats and manufacturing gaps. Project teams from a range of departments developed the necessary strategies in two months. The results are profits, the establishment of a base for future growth, and a management team anxious to extend the planning period beyond one year. The objectives for the company are now becoming clear, the need for a strategy is evident, and the board is confident it is better prepared than its competitors.

Structured corporate planning does produce worthwhile benefits. It is a process where the value lies not so much in the statements of intent but rather in the understanding of the business that is steadily improved by preparing them, so with strategies. Practice makes perfect, and companies better able to adapt, and they come to understand the threats and opportunities before their competitors.

Companies who do not plan must ask the reasons why they are not. As that advertisement so aptly said: "I do not like it because I have not tried it." Companies who do plan must ask: "Is our planning meeting our needs for speed and adaptability?"

One thing that is certain is that those companies which one knows are applying corporate planning effectively are making bold decisions and are confident about their future.

John Chadwick

The author is director of the corporate strategy division of PA Management Consultants.

## Kirkby cooperative confounds its critics

800 Merseyside return from their first summer as members of one of the country's worker cooperatives, and the prospect that against all odds, both government and private experts, they will be able to head off the ability by the end of the year.

Kirkby Manufacturing Engineering Company at tool (formerly Fisher & later IPD) was established as a workers' cooperative, with nearly 500 employees, and a factory which included two cloths and two workers. The profit-making situation being created by the success of KMEC's management—former foreman and later manager—who now has two shop leaders of the shop's board—materializes, it is only a matter of time before it is taken over by all those involved in the cooperative, but also a significant moral victory for Mr. Wedgwood Benn.

As the then Secretary of State for Industry, he argued for and in the end won Cabinet approval of a fact that both the government's own Industrial Development Advisory Board and a company of private business consultants had given a warning that it was likely to be a waste of public money.

The unlikely "mix" of products that KMEC inherited has in the event proved to be something of a blessing. While part of the factory devoted to manufacturing components for the motor industry, largely British Leyland, has obviously had its problems throughout this year, other strings to the cooperative bow have flourished.

One sector produces soft drinks and this was initially seen by the experts as a leading loser. In fact Mr. Lewis is able to report a marginal profit to date and KMEC is negotiating for the possible takeover of some other mineral water companies.

Another sector producing domestic radiators is stopping up its output from 7,000 to 10,000 units a week, but the cooperative's most outstanding success has been the successful negotiation of arrangements with a Midlands company for the exclusive manufacture of its ventilation systems.

Mr. Jack Springs, the factory convenor who led the strike and is now one of the worker directors of KMEC, has estimated that this deal could be worth £2m to the cooperative next year.

He expects big export business, particularly to the Middle East, and says that KMEC will be using government agencies to help sell its products abroad.

The cooperative's main problem now is the search for new products, especially in the engineering field. This will clearly be easier now that the cooperative has largely achieved its initial objective of establishing credibility with its suppliers and customers.

Mr. Lewis points to fundamental changes in attitudes by almost everyone in the plant as one of the main reasons for the successes so far.

The workers who earn an average £40 a week have mostly shown a willingness to cooperate in the sort of flexible shop-floor arrangements which would almost certainly meet strong resistance in most other factories.

One example of this concerned a small group of workers who, having refused to accept a move from one job to another, were dismissed. This action got the full backing of the shop stewards and the rest of the shop.

R. W. Shakespeare

## Discrimination abroad and UK tax nibbiter Scotch whisky producers

home and abroad the whisky industry feels threatened. There has been a response from the industry and a reaction, the inevitable cuts in production, and the industry in Scotland has already taken steps to protect its market.

Whisky producers in this country believe they have been treated as a "milch cow", while they see other governments starting to behave in the way. The very liquid that makes gloom appear more bleak is itself facing a crisis.

Government revenue from the industry, last year it was a substantial share of the total in exports and about 10 per cent in home sales.

As the sharp 2 per cent increase in the first half of this year is seen as a dangerous sign in a strengthening economy, to the United States, the largest single market for Scotch whisky, shipments are expected to be cut by 10 per cent.

Other countries added their own ingenious bureaucracy to the problem. Some were merely irritating; others were potentially very serious.

American duty assessment favoured bulk imports. But the total effectiveness of this policy now means that over half the exports to the industry's most important market in the world were in bulk, depriving Britain of substantial revenue earned by bottling and packaging the liquor.

Mr. Adam Bergius, chairman of the information and development committee of the Scotch Whisky Association, complains about continued hostility from the Government at home and a lack of sympathy for the whisky producers' problems.

The most recent tax import of £2.57 million, at least 30 per cent VAT on top has been applied relentlessly on the wrong assumption that the industry could stand any burden placed upon it.

He made it clear that it was not magic which allowed this particular goose to lay such golden eggs for the Exchequer. It was the consumer.

The point at which price resistance set in and further taxes became counter-productive for the Government had been reached. Home releases last May were scarcely half those of May, 1974. If the trend continued it would spell disaster both for the industry and the country, he said.

Ronald Faux

## Business appointments

## New Litton Business Systems executive

Mr. George Mackenzie has been appointed chief executive and managing director of Litton Business Systems, a subsidiary of the Swedish International organization within the United Kingdom and Eire.

Mr. J. A. Francis has joined the board of Sunlight Service Group and has been appointed chairman to fill the vacancy created by the death of Mr. S. J. Phillips. Mr. J. D. Burns has also joined the board.

Mr. David Baggeley, Revenue Officer of the London Transport Executive, has become senior management accountant in the post Office central finance department.

Mr. Alan Mackenzie and Mr. Ian Campbell have joined the board of Memorex (Holdings). Mr. Derek Coombe also joins the board as a non-executive director.

Mr. Harry Brennan has been made director of sales for Granger Associates.

Mr. Paul Rudder has joined the board of Re-Chem International, a subsidiary of the British Electric Traction Group.

Mr. Thomas O'Donnell has been elected president of the American Safety Equipment Corporation, the parent company of Kangol.

The following appointments to the boards of subsidiaries of the parent company have been announced by Coalite and Chemical Products: Mr. Roger Fane, general sales manager, Coalite division, also a member of the parent board, joins the board of Coalite Oils and Chemicals; Mr. Peter Fowler, general manager, group services, is appointed to the board of Coalite Oils and Chemicals; Mr. Frank Clifford, company secretary, joins the board of Coalite Oils and Chemicals; Mr. Dennis Korff, general sales manager, oils and chemicals, and Mr. Roy Taylor, finance manager, have been appointed directors of Coalite and Chemicals.

Mr. Ian Gane has been named general manager and managing director designate of Silent Gills. Miss C. G. Williams remains chairman and managing director.

Mr. Bill Key has become head of administration and personnel of Logica.

Mr. Elton Yates has been named vice-president and general manager of Texaco Iran, effective September 1.

Mr. W. R. W. Maddox joins the board and becomes secretary of L. Gardiner and Sons in succession to Mr. F. C. Wilkinson. Mr. G. Howard and Mr. J. V. Smith also join the board.

Mr. Ted Fell has become financial director of European division of British Airways. Mr. Campbell Houston has been appointed director of industrial relations and personnel by the Torrington Company.

## FINANCIAL NEWS

## Int Timber improvement in first quarter

By Desmond Quigley

International Timber, which saw profits tumble last year, did better in the first quarter of this year than it did in the final three months of last year. Mr. Robert Law, the chairman, states in the company's annual report.

At the same time, however, he issues a caveat by saying: "In normal conditions we would have expected the year as a whole to yield better results, but in present circumstances forecasting is extremely difficult and any improvement is likely to be gradual and hard won."

Conditions during the final six months of last year were

particularly difficult, he writes, but the past quarter was even worse. However, most of the companies which traded at a loss during this period have been turned round and are now earning profits.

The balance sheet shows that stocks and work-in-progress were only marginally up last year at £33.2m, compared with 1973/74, although that was nearly two-and-a-half times the level of the previous year.

However, Mr. Law reports that stocks are now falling and commitments are lower in volume and monetary terms than in recent years. Desocking and a resumption of purchasing should allow overdrafts

to "fall substantially", says Mr. Law who comments later that trading overdrafts are expected to fall by about £4m over the year.

The balance sheet shows that overdrafts rose some 40 per cent last year to just under £19m, while loans remained virtually static at around £9.5m.

Capital expenditure over the coming year is projected at a little over £2m, with £1.3m earmarked for new projects. However, the projected West Country distribution centre has been abandoned and the building put up for sale.

Mr. Law is to retire next February and will be succeeded by the vice-chairman, Mr. R. E. Groves.

## Allnatt's profits could top peak £2m

In the absence of any unforeseen circumstances, Mr. Ronald Diggins, chairman of Allnatt London Properties, expects that pre-tax profits for the year to March 31 next "could exceed £2m and should give an after-tax figure showing a reasonable increase" on the figure for March 31 last.

In 1974/75, Allnatt's pre-tax profits reached a record £1.7m. Allnatt's total reserves, after this year's addition of £555,000 retained profit, now stand at £7.2m, exceeding £7m for the first time. During the year the company expended on new buildings and plant a sum in excess of £1m without requiring any external source of funds.

argued in Court that the proxies ought to be accepted, in which case the resolution would fail.

This matter has been raised in proceedings already started in the High Court by members of an association representing persons who are against the merger. It is expected that the matter will be resolved in October and the shareholders in County & Suburban have agreed to an extension of the merger agreement until the end of that month.

## Alfred Clough chairman writes to shareholders

Major E. H. Marley, chairman of Alfred Clough, has written to shareholders with reference to the comment in the recent weeks concerning the deals involving Newman Industries and Thomas Poole & Gladstone China and various associated companies.

These deals (he says) were stated to include arrangements under which IFG would sell to Newman its holdings of shares in various companies, including its 500,000 ordinary 25p shares in Clough, which represent 33.9 per cent of the ordinary shares. In the circular, Major Marley discusses details of the deals and states that the impression may well have been given that the 33.9 per cent holding in Clough ordinary shares represents effective control of Clough. He goes on to say that he and the executive directors of Clough consider it "imperative that this impression should be corrected". Major Marley states that he, personally, owns 39.8 per cent of the ordinary shares in Clough.

## Estates &amp; Gen Inv

Estates and General Investments reports that it is not yet possible to give the result of the poll taken at the extraordinary meeting on July 30, 1975, on the resolution to approve the merger with County & Suburban Holdings. The vote was extremely close and the outcome depends solely on the validity of certain proxies cast against the resolution.

The chairman has been advised by counsel that the proxies in question ought to be rejected, in which case the resolution would be passed. However, the chairman considered that an opportunity should be given for it to be

On turnover of £8.47m for the year to April (against £7.9m for 16 months), pre-tax profits were £351,000 compared with £700,000 for 16 months (and £525,000 on a yearly basis). Earnings a share came out at 5.06p against 5.78p. The total payment is 3.91p after 3.6p last time.

Because a planned investment sale has not gone through, UU Textiles is to increase its borrowing powers from £3.12m to over £3.5m. The investment in Sirela Manufacturing, is to be written off as a result of the decision for the company to cease trading. This write off and tough trading in textiles mean that shareholders' funds are likely to be lower than those in the published accounts for the year to May 4, 1974.

## Fitzwillton U.S. boost

National Mine Service, a Pittsburgh coal mining equipment group, in which Irish group Fitzwillton has a major stake, reports net profit much more than doubled to a best-ever £2.72m. Turnover rose 56 per cent to £48.3m in the year to June 30. Fitzwillton's 27 per cent holding is worth £9.8m at the present market price, and is the largest single stake in NMS. The profit attributable to Fitzwillton was £2.57m, about £1.27m, before tax.

Group loss for year to September 30, 1974, £51,000 (profit of £23,000) after tax charge of £23,000 (charge of £102,000). Dividend cut from 1.7p to 0.8p.

Final dividend, 0.8045p, making 1.875p (1.2927p) maximum permitted for year to April 30. Turnover, £1,367,196 (£1,028,517). Pre-tax profit, £165,245 (£140,034). While board has confidence in the future, there are no immediate signs of a trade revival and they view the current year with "distinct pessimism".

Profits before allocations and taxes unchanged on first six months of 1974 at about \$48m (£25m). Sales of nuclear power equipment declined from \$115m to \$89m.

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## Slater, Royal Ins, 'Tubes' Woolworth this week

The peak of the holiday season notwithstanding, company news continues in full spate, with plenty of major profit subjects lined up. Outstanding features in the final statements, along with Town and City Properties. Details:

For Wednesday there are Tube Investments, Woolworth, and Pye, followed on Thursday by London Brick, Kentokil, and Johnson Cleaners. Heron Motor Group features in the final statements, along with Town and City Properties. Details:

TODAY, Interims: Dufay Biomastic, Henderson-Kent, and J. I. Jacobs. Finals—E. G. A. Holdings, Globe and Phoenix Gold, S. Hufnagel, and Vibraplan.

TOMORROW, Interims: Ciro, Cons Diamond of S.W. Africa, De Beers Cons Mines, De Beers Industrial, Direct Spanish Telegraph, Ofrex, Royal Insurance, Sea Diamond, Sedgwick Forbes, Slater Walker Secs, Thurgate Bardet, and Transport Development Grp. Finals—Attock Oil, Heron Motor, Houchin, L. Joseph Inv, P. Brotherhood, and Rennie Consolidated.

WEDNESDAY, Interims: Allied Insulators, Anglo-Ecuadorian Oil Assets, Sprayers, Dreamland, Edinburgh and Dundee Inv, Pyc Holdings, Richard Clay, Tom Martin Metals, Tube Inv, F. J. Wallis and Woolworth. Finals—Grouch Grp and Dixon Photo.

THURSDAY, Interims: Beconside Int Systems, J. Bibby, Brooke Tool, Goods Durrant, Johnson Cleaners, London Brick, Needlers, Pentos, Rentokil, Southval, and Woodhouse and Rixon. Finals—Atlantic Assets, Ayr Hiram, Tin, Heywood Williams, Thames Plywood Man, and Tronoh Mines.

FRIDAY, Interims: Anglowest, Benford Concrete Machinery, Develop-nent Secs, R. Kitchen Taylor, and R. K. T. Textiles. Final—Town and City Properties.

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## FINANCIAL NEWS AND MARKET REPORTS

## Looking for recovery in De Beers profit margins

A saying which always crops up ahead of any profits statement from the world's largest diamond group is: "De Beers always disappoints the market."

But the interim results due tomorrow night will have to be backed by vindication from the lowest estimate I have been able to find being pre-tax profits of 120m rand (about £68m).

This compares with last year's 200m rand and the 113m rand seen in the extremely depressed closing half of 1974. As has been mentioned here before, the sales in the first half of 1975 by the Central Selling Organisation were satisfactory, showing an increase from the preceding six months' figure of 314m rand to 355m rand.

If one looks at the margin obtained on the CSO sales as shown by the diamond account, effectively the trading profits,

then since the first half of 1971 this has fluctuated between the then low of 21.8 per cent in the second half of 1973.

In 1974, the margins were 32.1 and a depressed 23.1 per cent in the second half. Recovery could be seen tomorrow to at least a comparable figure to that of 1974. This would be after allowing for enhanced investment income, offset by higher costs, a pre-tax figure in the 145m rand to 150m rand range, equivalent to 28c a share in earnings.

Historically, however, it has usually been the second half which has proved the more important to De Beers, and all the evidence points to an improving trend this year as well.

## ZCI passes final

Although everyone knows the

## Mining

In consequence that country's economy, is having a difficult time due to the still historically depressed copper price, the refusal by the authorities to allow meanwhile the externalisation of money due to Zambia Copper Investments does appear a harsh decision.

Under Zambian exchange control regulations, dividends declared can be remitted overseas only after the end of the financial year of the paying company.

Nchanga Consolidated Copper Mines, although passing dividends for the final two quarters for its year to end March, had declared dividends for the first two quarters worth \$10.3m to

ZCI, equivalent to 8.40c a ZCI share. Now, the authorities have been unable to grant approval or even to give any indication as to when the money can be remitted.

Obviously, shareholders suffer. ZCI has passed its final dividend, leaving its total receipts for the year at only 4c compared with 40c in 1973-74. Over the past year or so it has been the Paris market which has maintained the ZCI share price buying as it does, an extremely attractive yield.

This no longer applies. At

54p, the cum-premium holder should now sell.

Annual meeting

It scarcely seems worthwhile

attending the annual meetings

of the mining finance houses

if the trend set by Charter Consolidated and Selection Trust is any guide. While the chair-

men expound at some length that the companies are in a period of transition (a euphemism for "what is going to hit us next"), shareholders react with indifference.

As brokers analysts grind their teeth in frustration at time passes and no questions are asked of Mr Sidney Spiro about Charter's Tankunguwa copper project in Zaire or further details on Cleveland Potash, it is true to say there is a feeling of frustration on the other side of the table as well.

There is a similar performance at ST's meeting last Thursday when Mr Chester Beatty was met with a deafening silence when he asked for questions. Are shareholders completely happy with their investment—or don't they care?

Andrew Wilson

Mining Correspondent

## Japanese buyers hold price key Australian wool auctions this

By a Special Correspondent

This week the Australian wool auctions reopen, after a seasonal break. Inevitably, the first sales of the season are watched particularly closely for signs of what demand will be like in the coming months. In particular, the eyes of the international trade will be on the Japanese who, as the biggest customers for Australian wool—sometimes taking up to 40 per cent of the offerings—set the tone. If they buy with enthusiasm, it will encourage bullish sentiment.

There are signs that the Japanese economy is improving. Its wool textile industry has succeeded in running down its totally excessive stocks, to more manageable levels, helped by a government-approved cartel arrangement to cut back production at the beginning of this year.

A further spur to buying could come from the suspicion—generally discounted—that Australia might follow the New Zealanders' example, and devalue its currency. The New Zealanders decided last week that they would increase their "intervention price" for wool to give the farmers rather than the customers the benefit of the devaluation.

However, this is not a market where prices will soar dramatically. The reality of the situation is that there are huge stocks overhanging the market, accumulated by the Australian Wool Corporation and the marketing authorities in New Zealand and South Africa last season in their efforts to maintain their agreed "floor prices". These total about two million bales, too high a figure to be eliminated in one season, no matter how buoyant the demand.

What is likely to happen is that the authorities will let the auction prices drift upwards a little, before starting to release their stocks. This will have the dual advantage of allowing them to make a profit on their holdings, and also of ensuring that prices do not go too high. As wool is in permanent competition with man-made fibres it is recognised that there is merit in a degree of price stability.

The policy seemed to be working towards the end of last season. The AWB had for some months been buying something

## Commodities

like half of all the wool offered at auction to maintain its floor price of 250 cents a kilo (clean). Then as the market began to strengthen in May and June its purchases tapered off while prices climbed steadily to about 275 cents.

Various reasons were given for this. Certainly the Japanese were buying more actively, and it is probable that customers were turning to Australia (and also New Zealand and South Africa) with renewed interest at the end of the season, having exhausted cheaper supplies available in South America.

Whatever the case the rally was not sustained, and prices finished the season back at around 250 cents. The immediate reason for the relapse was the extraordinary dithering of the Australian government, which announced to an astonished trade that the floor price would actually be lowered for the coming season, implying that Australia could not afford to maintain the price at 250 cents a kilo. It quickly changed its mind, but the damage was done.

## Russia kept waiting

On this page last Monday I explored the background to the expected official United States crop forecasts, due that day. In the event, although the United States Department of Agriculture has had to reduce its estimates of the likely harvest this season because of widespread drought, it is still expecting wheat production to be up by 19 per cent on last year, and maize up by about a quarter. These estimates were more or less in line with the majority view in the markets, and the immediate reaction was muted.

Prices began to strengthen again towards the end of last week, when it was announced that Russia had secured another 800,000 tons of grain from Canada. The United States government is treading a delicate political path at present: it expects and wants to be able to sell more to Russia, but maintaining a temporary am-

barge on further so can be sure about it of the market. Playing for time helps to silence the lobby at home, while concerned at what sales mean for domestic prices. Mr Richard Tamm, Secretary of the United States Wool Growers Association, also made it clear that it was hoped that the uncertainty would lead to smaller quantities of wool being offered in the market, rather than the "big, fat" one that we have seen in the past few weeks.

## Sugar prices fir

The Soviet Union's

chances have stimulated interest in the United States markets. The Chicago Board of Trade might have been helped by the fact that the United States is the world's largest producer of sugar, and the United States has a two duff spots, but three million tons exchanged.

Some of the loss are also very big, because of the price affecting the RUC crop, and because its production estimates have also been revised in the market. The current turnover is low and, sources suggest, the market is developing in a neutral position, with a view to a recovery.

Keeping in mind are also substantially both wool and beer, a surplus has been rather, only a small amount of the market in cutting price it would seem the commodities boom little way off. It is, however, not clear whether the effect is actually a recovery in the United States this

## Euromarkets

The August ban on new Deutsche mark Eurobonds and private placements is unlikely to be relaxed in September, according to A.P. Dow Jones in Frankfurt.

Banks comprising the central capital market committee will meet on August 20 in Wiesbaden to review market conditions and map their strategy for next month. But on the basis of current conditions, banking sources said, no major resumption of activity should be expected.

They argued that the domestic capital market, which competes with the Eurobonds for funds, has recovered only partially from the extreme weakness displayed in July. It was this that led the capital market committee to decree the August ban—not only on Eurobonds issuing activity but also on domestic bond issues.

The home market is not considered ready for a renewed challenge. Secondly, said one well-placed dealer, the pause in the previously stormy pace of new Eurobonds has benefited the international Deutsche mark sector. Underwriting banks have been able to sell large amounts of new issues with which they

had been left in July and inventories of seasoned paper have been worked down to more "sensible levels", he said.

The decision whether to reopen the primary Eurobonds market will depend partly on the Dollar-Deutsche mark rate.

The second major factor to be weighed by the committee is the relative yields with which underwriters would have to equip international and domestic bonds. Too great a differential would hurt the local market, heavily burdened by a public sector budget deficit estimated at DM65,000m (about £13,000m) or more—up from DM34,300m last year.

South African Iron and Steel Industrial Corporation (Iscon) plans to raise \$25m through the issue of five-year government-guaranteed bonds bearing a 10 per cent coupon, and proceed according to lead manager Kredietbank Luxembourg, possibly for five years, with a two-year grace period.

In the Eurodollar secondary bond market, prices were steady to a shade firmer this week. One dealer said the secondary market performance of New Zealand's two-tranche, \$100m issue was "very encouraging" — "outstanding".

## Eurobond prices (yields and premiums)

		Price	Yield	Premium
3 STRAIGHTS				
AUDC 10% 1981	100.0	9.71		
AUDC 10% 1982	99.8	9.80		
AUDC 10% 1983	99.5	9.82		
AUDC 10% 1984	99.2	9.84		
AUDC 10% 1985	98.9	9.86		
AUDC 10% 1986	98.6	9.88		
AUDC 10% 1987	98.3	9.90		
AUDC 10% 1988	98.0	9.92		
AUDC 10% 1989	97.7	9.94		
AUDC 10% 1990	97.4	9.96		
AUDC 10% 1991	97.1	9.98		
AUDC 10% 1992	96.8	10.00		
AUDC 10% 1993	96.5	10.02		
AUDC 10% 1994	96.2	10.04		
AUDC 10% 1995	95.9	10.06		
AUDC 10% 1996	95.6	10.08		
AUDC 10% 1997	95.3	10.10		
AUDC 10% 1998	95.0	10.12		
AUDC 10% 1999	94.7	10.14		
AUDC 10% 2000	94.4	10.16		
AUDC 10% 2001	94.1	10.18		
AUDC 10% 2002	93.8	10.20		
AUDC 10% 2003	93.5	10.22		
AUDC 10% 2004	93.2	10.24		
AUDC 10% 2005	92.9	10.26		
AUDC 10% 2006	92.6	10.28		
AUDC 10% 2007	92.3	10.30		
AUDC 10% 2008	92.0	10.32		
AUDC 10% 2009	91.7	10.34		
AUDC 10% 2010	91.4	10.36		
AUDC 10% 2011	91.1	10.38		
AUDC 10% 2012	90.8	10.40		
AUDC 10% 2013	90.5	10.42		
AUDC 10% 2014	90.2	10.44		
AUDC 10% 2015	89.9	10.46		
AUDC 10% 2016	89.6	10.48		
AUDC 10% 2017	89.3	10.50		
AUDC 10% 2018	89.0	10.52		
AUDC 10% 2019	88.7	10.54		
AUDC 10% 2020	88.4	10.56		
AUDC 10% 2021	88.1	10.58		
AUDC 10% 2022	87.8	10.60		
AUDC 10% 2023	87.5	10.62		
AUDC 10% 2024	87.2	10.64		
AUDC 10% 2025	86.9	10.66		
AUDC 10% 2026	86.6	10.68		
AUDC 10% 2027	86.3	10.70		
AUDC 10% 2028	86.0	10.72		
AUDC 10% 2029	85.7	10.74		
AUDC 10% 2030	85.4	10.76		
AUDC 10% 2031	85.1	10.78		
AUDC 10% 2032	84.8	10.80		
AUDC 10% 2033	84.5	10.82		
AUDC 10% 2034	84.2	10.84		
AUDC 10% 2035	83.9	10.86		
AUDC 10% 2036	83.6	10.88		
AUDC 10% 2037	83.3	10.90		
AUDC 10% 2038	83.0	10.92		
AUDC 10% 2039	82.7	10.94		
AUDC 10% 2040	82.4	10.96		
AUDC 10% 2041	82.1	10.98		
AUDC 10% 2042	81.8	11.00		
AUDC 10% 2043	81.5	11.02		
AUDC 10% 2044	81.2	11.04		
AUDC 10% 2045	80.9	11.06		
AUDC 10% 2046	80.6	11.08		
AUDC 10% 2047	80.3	11.10		
AUDC 10% 2048	80.0	11.12		
AUDC 10% 2049	79.7	11.14		
AUDC 10% 2050	79.4	11.16		
AUDC 10% 2051	79.1	11.18		
AUDC 10% 2052	78.8	11.20		
AUDC 10% 2053	78.5	11.22		
AUDC 10% 2054	78.2	11.24		
AUDC 10% 2055	77.9	11.26		
AUDC 10% 2056	77.6	11.28		
AUDC 10% 2057	77.3	11.30		
AUDC 10% 2058	77.0	11.32		
AUDC 10% 2059	76.7	11.34		
AUDC 10% 2060	76.4	11.36		
AUDC 10% 2061	76.1	11.38		
AUDC 10% 2062	75.8	11.40		
AUDC 10% 2063	75.5	11.42		
AUDC 10% 2064	75.2	11.44		
AUDC 10% 2065	74.9	11.46		
AUDC 10% 2066	74.6	11.48		
AUDC 10% 2067	74.3	11.50		
AUDC 10% 2068	74.0	11.52		
AUDC 10% 2069	73.7	11.54		
AUDC 10% 2070	73.4	11.56		
AUDC 10% 2071	73.1	11.58		
AUDC 10% 2072	72.8	11.60		
AUDC 10% 2073	72.5	11.62		
AUDC 10% 2074	72.2	11.64		
AUDC 10% 2075	71.9	11.66		
AUDC 10% 2076	71.6	11.68		
AUDC 10% 2077	71.3	11.70		
AUDC 10% 2078	71.0	11.72		
AUDC 10% 2079	70.7	11.74		
AUDC 10% 2080	70.4	11.76		
AUDC 10% 2081	70.1	11.78		
AUDC 10% 2082	69.8	11.80		
AUDC 10% 2083	69.5	11.82		
AUDC 10% 2084	69.2	11.84		
AUDC 10% 2085	68.9	11.86		
AUDC 10% 2086	68.6	11.88		
AUDC 10% 2087	68.3	11.90		
AUDC 10% 2088	68.0	11.92		
AUDC 10% 2089	67.7	11.94		
AUDC 10% 2090	67.4	11.96		
AUDC 10% 2091	67.1	11.98		
AUDC 10% 2092	66.8	12.00		
AUDC 10% 2093	66.5	12.02		
AUDC 10% 2094	66.2	12.04		
AUDC 10% 2095	65.9	12.06		
AUDC 10% 2096	65.6	12.08		
AUDC 10% 2097	65.3	12.10		
AUDC 10% 2098	65.0	12.12		
AUDC 10% 2099	64.7	12.14		
AUDC 10% 2100	64.4	12.16		
AUDC 10% 2101	64.1	12.18		
AUDC 10% 2102	63.8	12.20		
AUDC 10% 2103	63.5	12.22		
AUDC 10% 2104	63.2	12.24		
AUDC 10% 2105	62.9	12.26		
AUDC 10% 2106	62.6	12.28		
AUDC 10% 2107	62.3	12.30		
AUDC 10% 2108	62.0	12.32		
AUDC 10% 2109	61.7	12.34		
AUDC 10% 2110	61.4	12.36		
AUDC 10% 2111	61.1	12.38		
AUDC 10% 2112	60.8	12.40		
AUDC 10% 2113	60.5	12.42		
AUDC 10% 2114	60.2	12.44		
AUDC 10% 2115	59.9	12.46		
AUDC 10% 2116	59.6	12.48		
AUDC 10% 2117	59.3	12.50		
AUDC 10% 2118	59.0	12.52		
AUDC 10% 2119	58.7	12.54		
AUDC 10% 2120	58.4	12.56		
AUDC 10% 2121	58.1	12.58		
AUDC 10% 2122	57.8	12.60		
AUDC 10% 2123	57.5	12.62		
AUDC 10% 2124	57.2	12.64		
AUDC 10% 2125	56.9	12.66		
AUDC 10% 2126	56.6	12.68		
AUDC 10% 2127	56.3	12.70		
AUDC 10% 2128	56.0	12.72		
AUDC 10% 2129	55.7	12.74		
AUDC 10% 2130	55.4	12.76		
AUDC 10% 2131	55.1	12.78		
AUDC 10% 2132	54.8	12.80		
AUDC 10% 2133	54.5	12.82		
AUDC 10% 2134	54.2	12.84		
AUDC 10% 2135	53.9	12.86		
AUDC 10% 2136	53.6	12.88		
AUDC 10% 2137	53.3	12.90		
AUDC 10% 2138	53.0	12.92		
AUDC 10% 2139	52.7	12.94		
AUDC 10% 2140	52.4	12.96		
AUDC 10% 2141	52.1	12.98		
AUDC 10% 2142	51.8	13.00		
AUDC 10% 2143	51.5	13.02		
AUDC 10% 2144	51.2	13.04		
AUDC 10% 2145	50.9	13.06		
AUDC 10% 2146	50.6	13.08		
AUDC 10% 2147	50.3	13.10		
AUDC 10% 2148	50.0	13.12		
AUDC 10% 2149	49.7	13.14		
AUDC 10% 2150	49.4	13.16		
AUDC 10% 2151	49.1	13.18		
AUDC 10% 2152	48.8	13.20		
AUDC 10% 2153	48.5	13.22		
AUDC 10% 2154	48.2	13.24		
AUDC 10% 2155	47.9	13.26		
AUDC 10% 2156	47.6	13.28		
AUDC 10% 2157	47.3	13.30		
AUDC 10% 2158	47.0	13.32		
AUDC 10% 2159	46.7	13.34		
AUDC 10% 2160	46.4	13.36		
AUDC 10% 2161	46.1	13.38		
AUDC 10% 2162	45.8	13.40		
AUDC 10% 2163	45.5	13.42		
AUDC 10% 2164	45.2	13.44		
AUDC 10% 2165	44.9	13.46		
AUDC 10% 2166	44.6	13.48		
AUDC 10% 2167	44.3	13.50		
AUDC 10% 2168	44.0	13.52		
AUDC 10% 2169	43.7	13.54		
AUDC 10% 2170	43.4	13.56		
AUDC 10% 2171	43.1	13.58		
AUDC 10% 2172	42.8	13.60		
AUDC 10% 2173	42.5	13.62		
AUDC 10% 2174	42.2	13.64		
AUDC 10% 2175	41.9	13.66		
AUDC 10% 2176	41.6	13.68		
AUDC 10% 2177	41.3	13.70		
AUDC 10% 2178	41.0	13.72		
AUDC 10% 2179	40.7	13.74		
AUDC 10% 2180	40.4	13.76		
AUDC 10% 2181	40.1	13.78		
AUDC 10% 2182	39.8	13.80		
AUDC 10% 2183	39.5	13.82		
AUDC 10% 2184	39.2	13.84		
AUDC 10% 2185	38.9	13.86		
AUDC 10% 2186	38.6	13.88		
AUDC 10% 2187	38.3	13.90		
AUDC 10% 2188	38.0	13.92		
AUDC 10% 2189	37.7	13.94		
AUDC 10% 2190	37.4	13.96		
AUDC 10% 2191	37.1	13.98		
AUDC 10% 2192	36.8	14.00		
AUDC 10% 2193	36.5	14.02		
AUDC 10% 2194	36.2	14.04		
AUDC 10% 2195	35.9	14.06		
AUDC 10% 2196	35.6	14.08		
AUDC 10% 2197	35.3	14.10		
AUDC 10% 2198	35.0	14.12		
AUDC 10% 2199	34.7	14.14		
AUDC 10% 2200	34.4	14.16		
AUDC 10% 2201	34.1	14.18		
AUDC 10% 2202	33.8	14.20		
AUDC 10% 2203	33.5	14.22		
AUDC 10% 2204	33.2	14.24		
AUDC 10% 2205	32.9	14.26		
AUDC 10% 2206	32.6	14.28		
AUDC 10% 2207	32.3	14.30		
AUDC 10% 2208	32.0	14.32		
AUDC 10% 2209	31.7	14.34		
AUDC 10% 2210	31.4	14.36		
AUDC 10% 2211	31.1	14.38		
AUDC 10% 2212	30.8	14.40		
AUDC 10% 2213	30.5	14.42		
AUDC 10% 2214	30.2	14.44		
AUDC 10% 2215	29.9	14.46		
AUDC 10% 2216	29.6	14.48		
AUDC 10% 2217	29.3	14.50		
AUDC 10% 2218	29.0	14.52		
AUDC 10% 2219	28.7	14.54		
AUDC 10% 2220	28.4	14.56		
AUDC 10% 2221	28.1	14.58		
AUDC 10% 2222	27.8	14.60		
AUDC 10% 2223	27.5	14.62		
AUDC 10% 2224	27.2	14.64		
AUDC 10% 2225	26.9	14.66		
AUDC 10% 2226	26.6	14.68		
AUDC 10% 2227	26.3	14.70		
AUDC 10% 2228	26.0	14.72		
AUDC 10% 2229	25.7	14.74		
AUDC 10% 2230	25.4	14.76		
AUDC 10% 2231	25.1	14.78		
AUDC 10% 2232	24.8	14.80		
AUDC 10% 2233	24.5	14.82		
AUDC 10% 2234	24.2	14.84		
AUDC 10% 2235	23.9	14.86		
AUDC 10% 2236	23.6	14.88		
AUDC 10% 2237	23.3	14.90		
AUDC 10% 2238	23.0	14.92		
AUDC 10% 2239	22.7	14.94		
AUDC 10% 2240	22.4	14.96		
AUDC 10% 2241	22.1	14.98		
AUDC 10% 2242	21.8	15.00		
AUDC 10% 2243				



Stock Exchange prices

Capitalization & week's change

ACCOUNT DAYS: Dealings Began, Aug 11. Dealings End Aug 21. Contango Day, Aug 22. Settlement Day, Sept 2.  
Forward bargains are permitted on two previous days.  
(Current market price multiplied by the number of shares in issue for the stock quoted)



rice keep is this

Sugar prices

Chances are that...  
...the price of...  
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Commonwealth and foreign

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